VirtualFranchisee
Cloud Kitchen Based Food Delivery
Business Plan

January 2020

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Executive Summary

Executive Summary

Cloud kitchens are here to stay. The advent of cloud kitchens and the boom of online food industry marks the beginning of the end of traditional kitchen models, and the brick and mortar restaurants. The rapid growth of online food ordering sector creates new business opportunities for existing and upcoming restaurants to grow their business, one such upcoming trend is the cloud kitchens business model. We live in an era where we order food right from your mobile and get it delivered to our location.

In order to capitalize this opportunity, VirtualFranchisee, a new startup is proposed to be established in the UK. We will be focused on virtual franchising and operating a chain of well-established restaurant brands using cloud technology. The aim is to help popular restaurant chains to expand in the new marketplaces at absolutely zero-cost by franchising, operating and managing their brands virtually. Every B2B partner guaranteed to receive a certain percentage of the royalty fee per order. At the same time, the company will implement various data analytics will be adopted from delivery platforms to analyse which brand is the most suitable for virtual franchising and specificity of location that generates the most demand of orders. The company will be fully owned and managed by Raheem Japarov who is also applying for a startup entrepreneur innovator visa in the UK.

The company will be partnering with UberEATS, Deliveroo, and other such online delivery platforms to deliver the food. Since marketing and distribution is handled by these partners, the company will focus on what it does best – delicious cooking!

The company is starting up with a capital of **£200,000** to kick start the operations. The key financial summary is given below:

Amounts in £

Financial Summary

Particulars	Year 1	Year 2	Year 3
Revenue	324,000	576,000	792,000
Profit	51,360	68,880	82,811
Cash Balance	227,800	285,200	354,209

25%
Revenue Growth

13%
Profit Growth

12%
Cash Growth

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Market Research

Market Research

With the casual-dining crisis still in full flow, operators are looking for alternatives to expensive high street venues. Enter dark kitchens and delivery-only concepts that allow brands to tap into an ever-hungry takeaway audience while enjoying reduced overheads.

Virtual restaurants have been offering additional income streams to operators for several years, but are they now a viable alternative, or even long-term challenge, to the high street.

In 2016 UberEATS began working with restaurants in Chicago, US, to create additional delivery-only brands that could cater to surplus demand in their areas from existing kitchens. Three years on, it works with more than 400 UK brands that have no customer-facing presence offline.

UberEATS said it worked with restaurants to identify cuisines in their area that are under-supplied and develop brands that could meet the need. One such approach saw Balti Cottage in Dagenham, east London, launch a dessert brand that doubled its weekly sales by 200%.

For most restaurants, creating incremental revenue either means investing in physical expansion or physically increasing the capacity of real estate to serve more customers in-store, both of which traditionally comes with a high-cost/high-risk model. The great thing about delivery-only brands is that there is very little capital required to set up, meaning there is minimal risk. You can move from concept to market very easily. This technology is having a positive impact on high streets up and down the UK, helping local entrepreneurs and restaurants unlock the value of their existing real estate.

In the early 2000s, the founders of Faasos started a chain of kebab restaurants in the city of Pune with the idea that they would make it easy for their customers to have meals delivered to their homes.

After years of toil, and disheartened by the challenges of finding suitable locations for their restaurants, absorbing outfitting costs, paying high rents and the incessant turnover of staff, the Faasos management decided to change tack and opened their first centralized "cloud kitchen" to supply kebabs. They closed their restaurants and switched their attention to online marketing, fast delivery and keeping rents cheap.
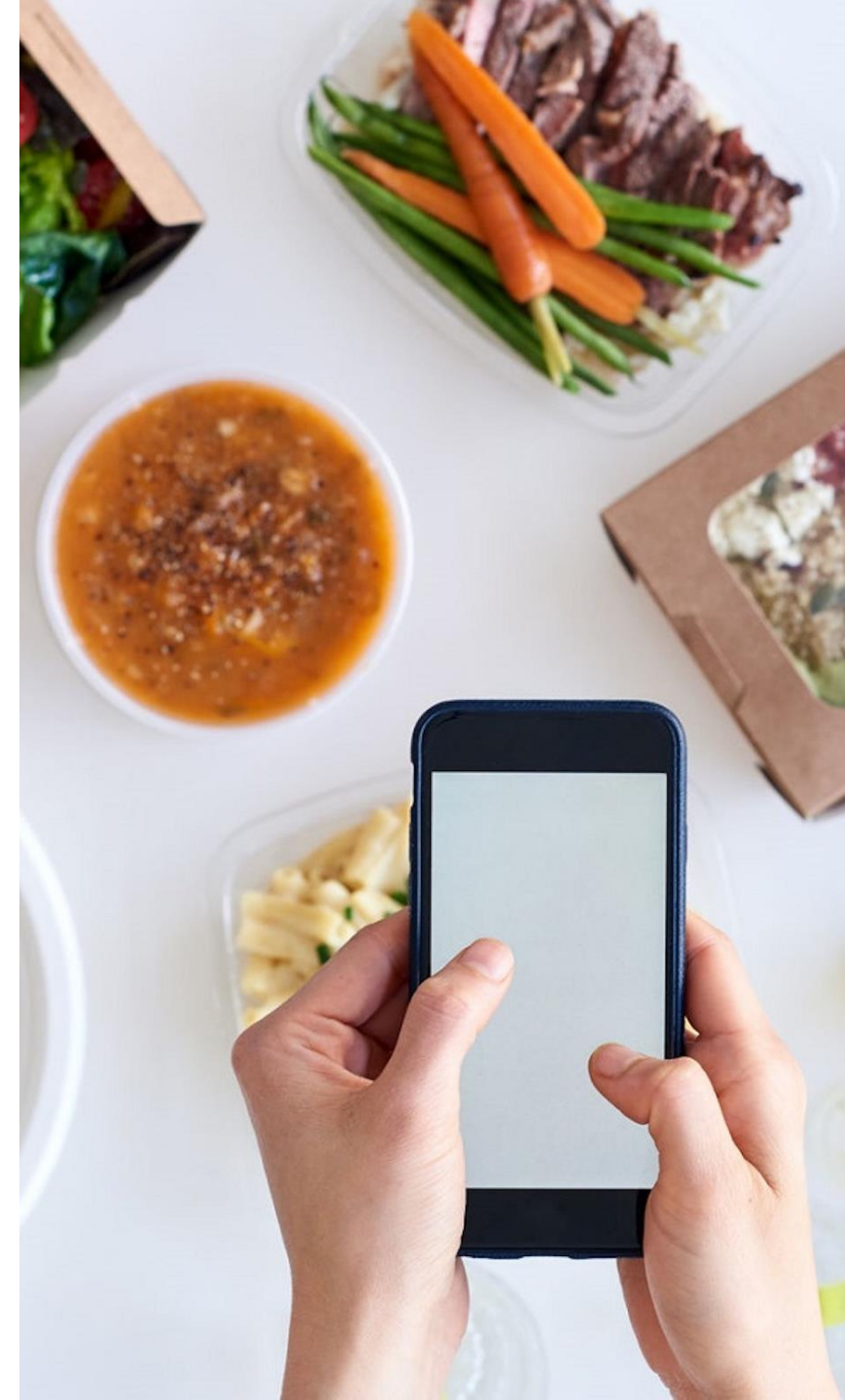
Market Research

The Cloud Kitchen Concept is slowly catching up

It can be argued that today's focused delivery channel began in earnest when Domino's offered up a "30 Minute or Free" guarantee in 1973. In order to make this guarantee effective, the company created a hub and spoke system, in effect building a series of franchised units in low-cost locations. They were characterized by being geographically market-centered but with no need for a "High Street" customer-facing address. This was directly in contrast to the overwhelming market advantage owned by Pizza Hut and its network of "Red Roof" full-service pizzerias with their focus on dine-in and takeout service. But the competitive advantage that came from having units with no dine-in, limited customer carry-out, and which were serviced by a central commissary set in motion the shift away from the traditional eat-in model.

Now, four decades later Domino's is the world leader in delivery, pizza or otherwise. It has done this by controlling the entire process or what is called the "full stack" in the delivery cycle. Now describing itself as an IT and logistics company that sells pizza, the backbone of the system is that they control the customer ordering process, the production quality process, and through a vast franchise network the delivery process.

The Cloud Kitchen model can be very effective for restaurant companies with large enough scale, whether in a single city or across a region, to take advantage of a single production kitchen site with remote staging kitchens. Ultimately the "full-stack" control from order to front door can come from as few as three restaurants or as many as 3000.

This also means that the foundation is laid for vast proprietary customer data collection and eventually data mining by the most forward-looking operators. It can be argued that the Food Truck movement of the past decade is a subset of the Cloud Kitchen model. By most local health code laws, food trucks must have a "home kitchen" or commissary for their bulk production that meets all health and sanitation code requirements. In many urban centres, to be successful a food truck company needs to have multiple trucks on the road acting as a distribution network.

Market Research

The era of brick and mortar restaurants is coming to an end

In some markets, there is still an opportunity for hardened restaurant and kitchen operators — particularly if they are gifted in the use of social media to build a following and refashion themselves. But they need to move quickly before it becomes too expensive to compete with the larger, faster-moving companies. The mere prospect of Amazon using cloud kitchens to provide cuisine catering to every taste — and delivering these meals through services such as Deliveroo — should be enough to give any restaurateur heartburn.

For restaurant owners who ignore the shift, the latest development in the gig economy spells big trouble. Ingrained habits and the cost of delivery, particularly in the west, means that it will take several years for restaurants to feel the pinch. But as cloud kitchen companies proliferate, and the cost of delivery declines, consumers will eventually find they can have their favorite meals delivered within 30 minutes at the same price, or conceivably lower, than a restaurant now charges. The large chain restaurants that operate pick-up locations will be insulated from many of these services, as will the high-end restaurants that offer memorable experiences.

In addition to forthcoming food delivery drones, UberEATS's path to delivery domination involves what are now known as virtual restaurants. Virtual restaurants, also known as virtual kitchens or, more plainly, delivery-only restaurants, have existed in a few different iterations. Then there was SF-based Munchery, a much larger operation were employees at a central commissary kitchen cooked and assembled re-heatable meals which were then transported to a fulfilment center and handed off to drivers and bike couriers for on-demand delivery to app users.

"They're restaurant brands located in physical restaurants. And the brand only exists on Uber Eats."

Market Research

The UK Virtual Restaurant Scene

UberEATS says it already has 1,600 virtual restaurants around the world, including 800 in the U.S. (with plans for more than 1,000 by the end of 2018); it plans to launch 400 more in the U.K. by the end of this year. Reigning U.K. delivery app Deliveroo has already invested heavily in virtual kitchens as a way to expand its customer base. In mid-2016 Deliveroo experimented with RooBoxes, off-site kitchens intended to bring restaurant brands to areas of London that had limited delivery options. Earlier this year it began launching Deliveroo Editions, using the same virtual brand-within-an-actual-restaurant setup that UberEATS is utilizing.

Deliveroo and UberEATS have been able to capitalize on an already-robust delivery network, with large fleets of dedicated drivers and huge customer bases. Additionally, the "virtual restaurant-within-a-restaurant" model relies on space that's already provided by their restaurant clients, meaning the delivery companies aren't on the hook to provide commissary kitchen space — and can still collect on their hefty service fees. UberEATS charges restaurants between 30 and 35 percent of their delivery sales, significantly more than competitors like GrubHub and Postmates — and an amount that many restaurateurs say makes it difficult to turn a profit on delivery orders.

Though many diners utilize delivery apps as a method of getting food from their favorite restaurants without having to get off the couch, there are seemingly plenty of others that view apps like UberEATS as more of a discovery tool to figure out what to have for dinner — in which case discovering a new poke "restaurant" on a Friday night could hold plenty of appeal.

Uber Eats already has 1,600 virtual restaurants around the world

Market Research

Is the Kitchen Dead?

Internet business models have already disrupted a host of industries and are doing the same in food services. In a world of increasingly time-starved consumers, online food delivery has become a mega-trend. What started as phone orders being placed at the local takeaway has shifted to a multitude of apps and is now growing exponentially with the emergence of a number of online platforms.

Online food ordering combines on-demand living and the sharing economy in three key ways.

- First, shared or 'dark' kitchens can create a host of different cuisines, cutting the cost of professionally prepared food, with robotics and AI offering the potential to reduce costs even further.
- Second, increased delivery capacity through low-cost labour and delivery drones could halve the unit cost of delivering meals.
- The third key ingredient is demographics. Time-starved millennials are three times more likely to "order in" than their parents. As this generation matures, home cooking could fade away.

We think it's possible that by 2030 most meals currently cooked at home will instead be ordered online and delivered from restaurants or central kitchens.

Driven by these three trends – lower production costs, improved logistics and strong demographics – we estimate the global online food ordering market could grow more than tenfold over the next decade or so. The ramifications could be substantial. We see a bright future for food delivery platforms, and positives for the restaurant sector as delivery adds a further growth engine. There could also be an impact on property markets, with increased demand for edge-of-town industrial units, plus a positive environmental and sustainability angle as well, given the potential to cut food waste and packaging. We see a potentially adverse impact on some food retailers and food producers.
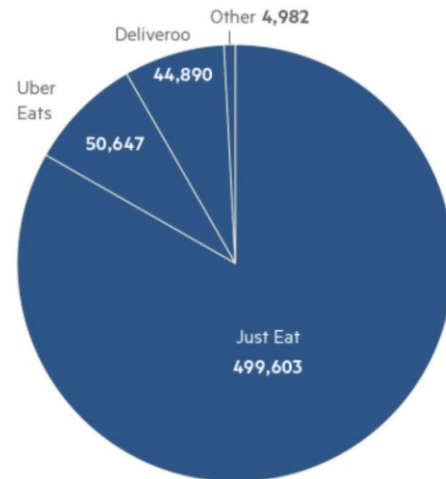
Market Research

The UK Market Scenario: Online Food Delivery Apps

According to a GlobalWebIndex survey, Deliveroo is the third-most-popular food delivery service with takeaway aficionados in the UK; though it is 23% is only a tiny margin (1%) behind UberEATS. Deliveroo does not operate in the US at the time of writing. This is borne out by Priori Data figures, referenced by the Financial Times. These show just under 45,000 daily UK users of Deliveroo, compared with 51,000 UberEATS customers. Just Eat, however, commands just shy of 10 times as many daily customers – a dominant market position if ever there was one.

It's worth getting these customers in through the proverbial door because once they're using your app, they will continue to do so it seems. A study by professional services firm McKinsey found that, in the UK, 80% of food delivery customers had never or rarely switch platform.

Just Eat has the most app users in Britain
Average UK daily active users of food delivery apps, 2018

Other **4,982**
Deliveroo
44,890
Uber Eats
50,647
Just Eat
499,603

Source: Priori Data
© FT

% of takeaway lovers who use the following delivery providers

80% JUST EAT
24% UBER eats
23% deliveroo

Market Research

Regulations

All food businesses are required to register with their local council. Operators must comply with Food Standards Agency regulations regarding hygiene and food safety. This includes ensuring that areas where food is prepared are hygienic, that food products are stored appropriately and that waste is disposed of correctly.

Operators intending to serve alcohol must apply for an alcohol licence. Further licensing is required for establishments wishing to sell hot food or drink between 10pm and 5am, as this requires a late-night refreshment licence.

Since 2014, all food enterprises must also comply with EU food labelling regulations that require foods containing any of the 14 most common allergens – eggs, peanuts molluscs etc. – to be properly labelled. Failure to meet these rigorous standards could result in the closure of a restaurant or a fine. However, Britain's exit from the European Union within the next five years could relax some of this regulation.

Additionally, the government is currently consulting businesses on the proposed introduction of mandatory nutritional information labelling in out-of-home eating establishments, which could be introduced in 2019.

Market Research

Competition Analysis

The Foodstars story begins in East London, 2015. The founders built a small commercial kitchen selling Sushi, but soon realised they could rent out their additional space to help pay the bills. They saw an opportunity and decided to expand their operations by building, managing and leasing out commercial kitchens. The story here is similar to that of WeWork were the founders began looking at the building they were occupying and saw that it was partially vacant.

Foodstars know their customers are primarily selling into the online food delivery economy and are providing specific services to help them succeed which may help them differentiate from their competitors. This is probably also self-serving as a successful happy customer is more likely to be retained.

Karma Kitchen: Karma Kitchen is transforming industrial spaces into beautiful commercial kitchens, co-working, and storage. They build, equip and manage the spaces, with everything from kitchen porters, community managers to top of the range equipment. The goal is to provide workspace that encompasses the full needs of a food and drink business.

The team behind Karma Kitchen are the same team behind Karma Cans, the lunch delivery company. Gini and Eccie founded Karma Cans in 2014, making fresh healthy salads for offices around London. They've built two kitchens for Karma Cans and they understand how important it is to get operations right early on, to leave you the space and money to grow and transform your business. That's the goal of Karma Kitchens, to let businesses grow and scale.

Market Research

Competition Analysis

Foodtech is a growing industry, with a lot of companies getting funded recently:

	deliveroo	UBER EATS	Delivery Club	EAT.ch	Wolt	forky	Too Good To go
HQ	London	San Francisco	Moscow	Zurich	Helsinki	Athens	Copenhagen
Model	Software + feel & logistics	Software + feel & logistics	Software + portal	Software + portal	Software + logistics	Full service	Recycle
Funding (€M)	€ 430M	N/A	€ 10.9M	N/A	€ 12.4M	€ 800K	N/A
Launch year	2012	2014	2011	2008	2014	2014	2015
Monthly web users [1]	7.5M (+90%)	3M (+106%)	2.4M (+85%)	0.6 M	55 K	0.11M	63K
Cumulative app installs [1]	2.2M (+1,000% growth)	1.3M	5.7 M (+60% growth)	N/A	0.27 M	N/A	1M
Other KPIs	2,134 employees Annual Revenues: £ 130M Valuation £ 761M	N/A	52 employees	N/A	85 employees	22 employees	62 employees
Countries	**Europe**: Belgium, France, Germany, Italy, Ireland, Netherlands, UK, Spain [3]	**Europe:** Amsterdam, Bordeaux, Brussels, London, Lyon, Madrid, Manchester, Milan, Moscow, Paris, Stockholm, Vienna, Warsaw [4]	Russia	Switzerland	Estonia, Sweden, Finland	Greece	**Europe:** UK, Denmark, Norway, Germany, France, Switzerland, Austria [5]
Traction	#2 in UK, Netherlands, France after Just Eat	1.3M app installs from zero installs 12 months ago. Biggest growth in France and UK	#1 in Russia	Partnership with Just Eat (2011) #1 in Switzerland	#1 in Finland	#2 in Greece after Delivery Hero	1 M app installs from zero installs 12 months ago. Expansion to 7 countries in 2 years. #2 in Denmark after Just Eat

Market Research

Competitive Edge

1 Strong management team backed up by years of experience in the industry

2 Existing relationships with various providers

3 Contacts in the industry, giving a jump start as soon as the business is established

4 Very few players in this niche segment, giving the opportunity to become a market mover

5 Aggressive marketing strategies to capture market share

6 Flexibility in menu

7 Better expansion opportunities

8 Savings on Infrastructure

9 Diverse Menu

10 Quicker deliveries

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Business Model

Business Model

The Entity

Cloud kitchens are the latest trends in the restaurant industry, marking the end of brick of mortar restaurants. The cloud kitchens don't require many upfront costs when compared to a classic dine-in and takeaway restaurant and budding restaurateurs can use this as an opportunity to test out their brand and customer base before opening a premise in a low-risk environment. Thus giving an opportunity to the chefs to concentrate on one objective, to prepare the best food!

Cloud kitchen does everything for you right from taking orders from the customers, providing you the information from what to prepare to deliver the food to customers and getting feedback immediately.

The company will be fully owned and managed by Raheem Japarov who will oversee the business and growth strategies.

Raheem Japarov

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VirtualFranchisee
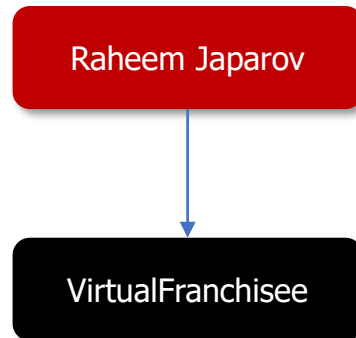
The Entity

Name: VirtualFranchisee.com

Location: United Kingdom

Geographical Focus: UK

Services: Cloud Kitchen, Virtual Kitchen services

Target Market: Online food delivery market in the United Kingdom

Business Model

Products and Services

A cloud kitchen is primarily a restaurant kitchen that accepts incoming orders only through online ordering systems and offers no dine-in facility. They have a base kitchen that delivers food to the customers' doorstep.

Cloud kitchens can have their online ordering website and online ordering app, or they can accept orders through the various food delivering platform. Since the primary source of revenue for these internet restaurants is through the various food ordering platforms, such as Deliveroo, UberEATS, etc. It is essential to have point of sales software that accepts orders from multiple sources.

Cloud kitchen does everything for you right from taking orders from the customers, providing you the information from what to prepare to deliver the food to customers and getting feedback immediately.

Business Model

Innovation

A cloud kitchen is a restaurant that focuses exclusively on takeaways. These restaurants do not offer dine-in facilities. These outlets should be viewed as food factories. In these outlets, only the production of food happens. The orders are only received online. Hence, the term "cloud kitchen" is used. The food is then sent to the customer in the form of a takeaway.

Cloud kitchens combines the agility of the food truck approach with even greater efficiency and data-driven decision making. In short, its the lean business model applied to restaurants. The Minimum Viable Product (MVP) in this case is a food concept that intrepid chefs can launch for far cheaper than it costs to open a traditional restaurant. And with help from the insights of data-driven food delivery companies, they are armed with insights on the types of food demanded in certain areas or the likelihood of a particular premise to thrive. For example, the data teams at UberEATS pitched a virtual burger joint to a cafe and a virtual wrap restaurant to a Turkish eatery. Both virtual restaurants were so successful that the brick and mortar locations rebranded their entire business operations. The digital and physical infrastructure is in place for this approach to thrive. And it comes along right at a time when cultural norms are also facilitating a change.

In a recent study commissioned by Cognizant, 66% of restaurant and hospitality executives say the popularity of new models like the cloud kitchen have had a positive impact on business. It is no surprise that this model has grown in popularity given the diminishing amount of time we spend in the kitchen. The way we eat today is already quite different from the dining habits of just a few generations ago. In the future, we won't even cook our own meals and we'll seldom sit down at a restaurant, according to one food delivery service executive.

Business Model

Technology

Online Order

Cloud Kitchen allows for online ordering of an assortment of dishes to be delivered together as a meal.

Data Driven Decision Making

Platform development

Delivery App

The menu and orders are integrated with a delivery app.

Order Tracking

The status of orders can be tracked via the delivery app

POS and Order Management

Cloud Kitchen integrates with POS and Order Management technology.

Business Model

Viability

A cloud kitchen seems to be a viable model for restaurants, as they end up paying only 3-8% of the P&L, compared to what would be required to set up a restaurant (almost double). But the big challenge is infrastructure creation; setting up cloud kitchens involves significant investment.

1 The average profitability projected is about 10%

2 The revenue growth estimated is 33% on a five

3 The investment IRR is good at 45%

Business Model

Scalability

A kitchen-centric model that takes over the reins of preparation, packaging and, delivery of food without providing any dine-in facility to end-consumers, it has been feeding the curiosity of start-ups that are looking to replace traditional business models with a more sustainable and scalable one.

A full-stack, end-to-end food delivery platform, a cloud kitchen is basically a takeaway outlet that provides no dine-in facility. Armed with a business model that is said to be both sustainable and scalable, a cloud kitchen functions as a production unit with space for preparation of food. The food can be ordered online, hence the name 'cloud' kitchen.

The Virtual Franchise Commission Model is scalable because of:
✓ Good profitability over the projection period
✓ The employment of about 15 people over the next five years
✓ Profitability combined with reinvestment can make the stability high

Business Model

How does it work?

Order Taking

1 Primary source of order-taking is online, a cloud POS is a must for cloud kitchens and delivery kitchens.

Order Processing

2 Orders come from the different brand, so the unique taste of each one needs to be maintained. You need to have different chefs and appliances as per requirement.

Staffing

3 Only requires highly skilled kitchen staff.

What is in it for the Customer

The customer gets order delivered within proper time because of fast delivery promise by the company.

The customer get hot and fresh cooked food at home.

The customer get lots of option to choose from.

Business Model

How does it work?

Managing Suppliers

4 You need to have multiple suppliers according to different restaurants or hotel brands.

Inventory Management

5 In this digital era your POS can handle ordering and computing inventory once a minimum amount is defined.

Time for Marketing

6 You can use every possible tool and strategy available because you can't sell anything if you can't tell anything. So go with all the best possibilities.

Low Start-Up Cost:
- No upfront cost.
- Less human resource.

Instant Access:
- Take orders directly from third-party applications.

Low Risk :
- Can experiment with minimal investments.

Flexibility:
- Changing menus.
- Single kitchen multiple brands.

Remote Areas:
- Expand reach to remote areas with low competition.

Business Model

Critical Success Factors

Ability to quickly adopt new technology: Adopting new employee training and kitchen and customer-related technology can increase productivity and lower labor costs.

Proximity to key markets: Being in a good location to allow for quick deliveries and understanding what customers need from the kitchen can drive customer traffic and decrease operator costs.

Access to multiskilled and flexible workforce: Access to suitably skilled and trained staff is required to respond to peak customer demand periods.

Ability to control stock on hand: Controlling orders, stock and food waste can limit costs and improve profit margins.

Use of specialist equipment or facilities: Firms that use new technology such as quick-freezing meals and steam cooking are likely to provide a better service. They will also operate more efficiently.

Ability to provide goods/services in diverse locations: Ability to supply services across a range of locations is vital.

Attractive product presentation: Both attractive food presentation and the provision of healthy meal options are of growing importance as societal preferences shift towards foods with less salt, sugar and fat. It is important that contractors can offer food that is both appealing and healthy.

Receiving the benefit of word of mouth recommendations: Maintaining high-quality food presentation and service will lead to favourable word-of-mouth recommendations. This will also encourage repeat and new custom.

Must comply with government regulations: It is important that industry players comply with government regulations in areas such as food safety and handling.

Effective quality control: Ensuring that establishments are always welcoming and consistently offer excellent food and service through quality control encourages repeat custom.

Effective cost controls: Offering appropriate portion sizes in relation to the cost at which meals are sold helps to maintain high profit margins.

Business Model

Key Suppliers and Partners

Deliveroo also operates 11 'dark kitchen' sites around the UK, most being in London, under the aegis of 'Deliveroo Editions'. These are collections of small prefab structures or adapted buildings available to restaurants who want to run delivery-only businesses in the potentially lucrative vicinities (such as close to the Canary Wharf financial hub). This allows them to cater to new markets without opening new high-street premises. These Rooboxes, as they are officially known, have been noted for being particularly unglamorous, particularly as compared with the restaurants' reputations. Working conditions have been questioned, as have their adherence to planning regulations.

Deliveroo Editions has also opened sites in Singapore, Dubai, Australia, Spain, France, and the Netherlands.
Around 66 UK restaurants used these as of October 2018. Clients include popular names such as Meat Liquor, Busaba Eathai, and Franco Manca. There are plans to further expand these to new sites in the future, though growth thus far has not matched targets, which were set at 200 dark kitchens on 30 sites.

UberEATS's parent company Uber was founded in 2009 by Garrett Camp and Travis Kalanick. The company made its foray into food delivery in August 2014 with the launch of the UberFRESH service in Santa Monica, California. In 2015, the platform was renamed to UberEATS, and the ordering software was released as its own application, separate from their app for Uber rides. Its London operation opened in 2016. In November 2018, the company announced plans to triple its workforce in its European markets.

Business Model

SWOT Analysis

Strengths

- Strong management team
- Growing industry
- Demand-supply gap in the market.
- Affordable pricing as compared to the market.

Weaknesses

- New to the UK market
- Initial time and staffing constraints
- Competition from established players.

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Opportunities

- Partnering with local players to penetrate the market.
- Opportunities to expand to nearby regions.

Threats

- Economic downturns
- Regulations
- Food and Beverage (F&B) industry cycles

Business Model

Short Term Milestones

The short term milestones are given below:

Milestone	Period
Business plan and funding	April 2020
Tradeshows and marketing strategies	May 2020
Supplier relationships	May 2020
Recruitment of staff	June 2020
Training on policies and procedures	July 2020
Launch and ongoing marketing	August 2020

Business Model

Long Term Milestones

First-Year Milestones

▸ Business setup and staffing
▸ Implementation of marketing strategy
▸ Creating brand awareness
▸ Acquiring initial portfolio of customers
▸ Networking and partnerships
▸ Establishing supplier relationships
▸ Initial staffing and training

Future Roadmap

▸ Compliance with ISO 9000, PCIDSS Standards and security standards
▸ Quality control mechanisms
▸ Strategic partnerships with vendors, and suppliers
▸ Expansion into other localities and counties

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Strategic Overview

Strategic Overview

Business Strategies

The company will endeavor to deliver high-quality food on time and within budget to an exceptional standard. This attention to high standards is what will be the basis of success for the business to gain profile and recognition in the market

Strategic

- Build brand awareness
- Ensure only high-quality and timely websites/apps are delivered
- Achieve a high degree of profitability

Managerial

- Build relationships with partners and suppliers
- Geographic expansion to nearby locations
- Have project management systems in place to monitor orders

Tactical

- Provide excellent service to takeaways and online delivery partners
- Enhance customer satisfaction levels
- Have strict quality control mechanisms in place

Strategic Overview

Business Strategies

Strategic

- Become a market leader in this field of cloud kitchen
- Provide high-quality services with an extremely user-friendly approach
- Provide excellent security features
- Exhibit fast turnaround times
- Explore opportunities to branch out into other similar services in the near future

Managerial

- Establish operational procedures and robust processes
- Implement a strong verification system to ensure that only verified orders are being transferred to the kitchen
- Employ strong MIS systems in order to measure, monitor, and control variances from plans (both financial, and non-financial)

Operational

- Identify and recruit well-trained and qualified staff
- Have a clear order management software
- Have clear policies for payments, refunds, customer issues, and registration
- Maintain a secure development methodology that gives the utmost priority to user privacy and data security

Strategic Overview

Marketing Strategies

Social Media
This is the best promotion channel available since word spreads quickly on social media. Hence, the company will promote its platform through social media by providing posts about this industry with a link to its website. It will post links to informative and engaging blogs and share relevant content on social media in an effort to directly engage consumers in dialogue. It will also develop its Twitter profile and LinkedIn connections

Email Marketing
The company will use email marketing campaigns and newsletters to stay in touch with its customer base. It will use these emails to promote the website and new content, offer new deals and specials, or just share interesting industry news.

Advertising
The company will adopt the age-old marketing tool of advertising in order to capture the attention of prospective customers. The company will promote its services through industry networks and platforms, food-related sites and media, brochures and, local trade groups, etc. All the advertisement material will include the website address.

Search Engine Optimization (SEO)
All of the company's online content (website, social media pages, blogs, etc.) will be SEO optimized. This will ensure that all relevant searches will lead to a landing page on the company's website, blog, or social media pages.

Strategic Overview

Marketing Strategies

Coupons/Offers
The company will have ongoing offers and coupons with big discounts to lure the general public onto the business.

Website
The company will have a user-friendly, easy to navigate website. The website will have clearly defined categories based on services offered etc. to make it easier for the users to find what they are looking for. The website will have rich content in the form of relevant information, it will also offer a round-the-clock support helpline.

Digital Marketing
the company will increase its online visibility through digital advertisements in beauty blogs, travel websites, social media sites, and other places where potential users of the website are likely to look.

Google AdWords
For online advertising, Google AdWords is the standard on the web. The company will ensure its advertisements show up whenever someone searches for keywords relating to the industry.

Strategic Overview

Marketing Mix

Product/Services
The company offers cloud kitchen/virtual kitchen services.

Promotion
The company will promote its services using business networking, online and offline marketing techniques.

Product

Promotion

Price

Place

Price
The pricing strategy will be in line with competitors and market pricing.

Place
The company is based in the UK. The focus will be on the online food delivery market.

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Management Summary

Management

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Info Pending

Management

Organizational Structure

CEO
- Business review and growth
- MIS review and budgeting
- Strategic planning and direction

Billing and order management
- Managing account balances to discover outstanding debts or other inconsistencies.
- Collecting all information needed to calculate bills receivable.
- Checking the data entered into the accounting system to ensure accuracy of the final bill.
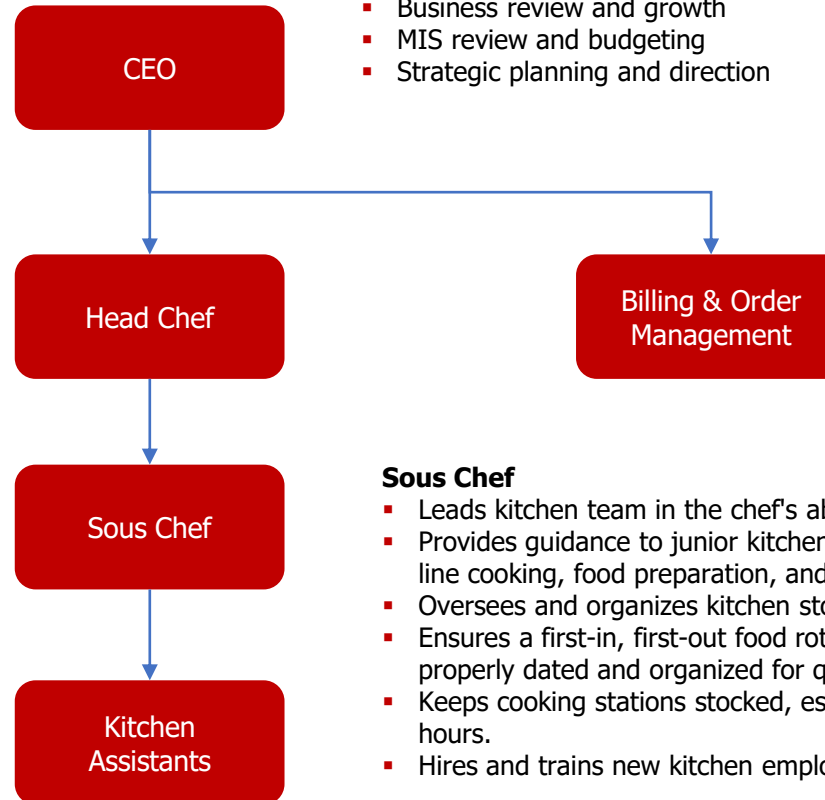- Order management and monitoring

Head Chef
- Design menus that enhance customers' culinary experience while keeping up high quality.
- Submit cost proposals for menu items.
- Provide feedback regarding the food quality of large bulk purchases.
- Ensure that all food preparation is in accordance with regulatory guidelines.

Sous Chef
- Leads kitchen team in the chef's absence
- Provides guidance to junior kitchen staff members, including, but not limited, to line cooking, food preparation, and dish plating.
- Oversees and organizes kitchen stock and ingredients
- Ensures a first-in, first-out food rotation system and verifies all food products are properly dated and organized for quality assurance.
- Keeps cooking stations stocked, especially before and during prime operation hours.
- Hires and trains new kitchen employees to restaurant and kitchen standards

Kitchen Assistants
- Ensuring the food preparation areas are clean and hygienic
- Washing utensils and dishes and making sure they are stored appropriately.
- Sorting, storing and distributing ingredients
- Washing, peeling, chopping, cutting and cooking foodstuffs and helping to prepare salads and desserts.
- Disposing of rubbish
- Organizing linen laundry
- Cleaning the food preparation equipment, floors and, other kitchen tools or areas.

Organizational chart:
- CEO → Head Chef, Billing & Order Management
- Head Chef → Sous Chef → Kitchen Assistants

Management

Staffing Plan

Staffing Plan

Particulars	Year 1		Year 2		Year 3
Designation					
CEO	1		1		1
Head Chef	0		1		1
Sous Chef	1		1		2
Kitchen Assistants	2		3		4
Billing and Order Management	0		1		1
Total	**4**		**7**		**9**
Annual Salaries per person					
CEO	£	-	£	-	£ -
Head Chef	£	25,000	£	26,250	£ 27,563
Sous Chef	£	22,000	£	23,100	£ 24,255
Kitchen Assistants	£	18,000	£	18,900	£ 19,845
Billing and Order Management	£	15,000	£	15,750	£ 16,538
Total Salaries					
CEO	£	-	£	-	£ -
Head Chef	£	-	£	26,250	£ 27,563
Sous Chef	£	22,000	£	23,100	£ 48,510
Kitchen Assistants	£	36,000	£	56,700	£ 79,380
Billing and Order Management	£	-	£	15,750	£ 16,538
Total	**£**	**58,000**	**£**	**121,800**	**£ 171,991**

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Sources & Uses of Funds

Sources and Uses of Funds

Sources and Uses of Funds

Particulars	Amount £
Uses of Funds	
Kitchen Equipment	10,000
Refurbishment	5,000
Marketing	10,000
Working Capital	175,000
Total	**200,000**
Sources of Funds	
Equity	200,000
Total	**200,000**

Uses of Funds

- Kitchen Equipment
- Refurbishment
- Marketing
- Working Capital

Source: Management Information
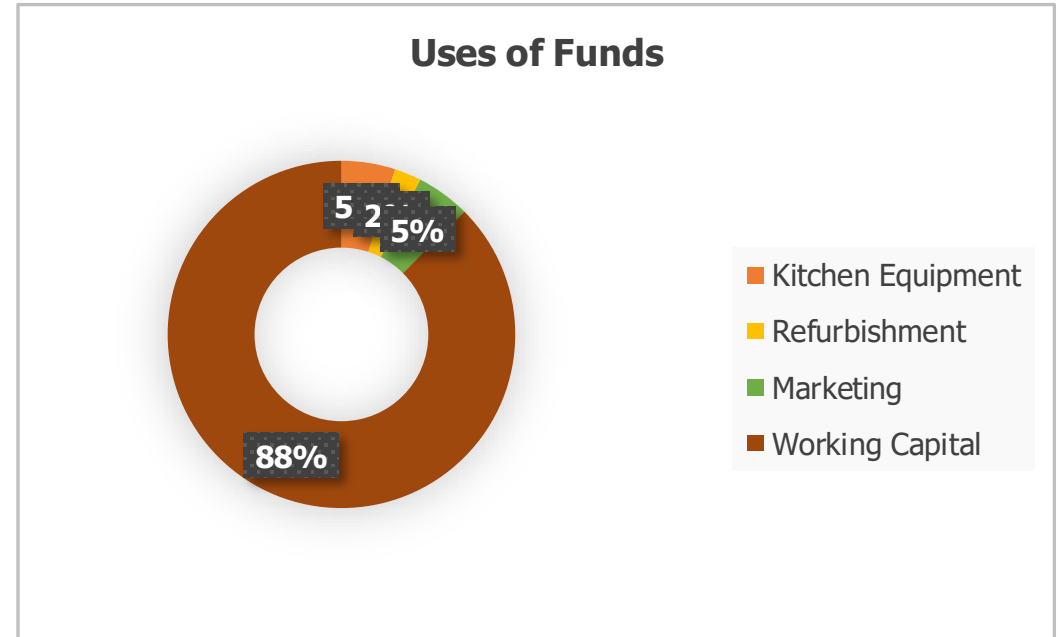
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Financial Plan

Financial Plan

Projected Income Statements

Amounts in £

Particulars	Year 1	Year 2	Year 3
Revenue			
Revenue	324,000	576,000	792,000
Total	**324,000**	**576,000**	**792,000**
Expenses			
Cost of Goods Sold	81,000	144,000	198,000
Marketing	10,000	12,000	14,400
Manpower	58,000	121,800	171,991
Commissions	97,200	172,800	237,600
Rent & Utilities	33,000	66,000	99,000
Depreciation	2,000	2,000	2,000
Total	**281,200**	**518,600**	**722,991**
Net Profit before tax	**42,800**	**57,400**	**69,009**
Taxes	8,560	11,480	13,802
Net Profit after tax	**51,360**	**68,880**	**82,811**

Financial Plan

Projected Cash Flows

Amounts in £

Cash Flow Statement

Particulars	Year 1	Year 2	Year 3
Inflows			
Revenue	324,000	576,000	792,000
Equity	200,000	0	0
Total	**524,000**	**576,000**	**792,000**
Outflows			
Cost of Goods Sold	81,000	144,000	198,000
Marketing	10,000	12,000	14,400
Manpower	58,000	121,800	171,991
Commissions	97,200	172,800	237,600
Rent & Utilities	33,000	66,000	99,000
Taxes	2,000	2,000	2,000
Kitchen Equipment	10,000		
Refurbishment	5,000		
Total	**296,200**	**518,600**	**722,991**
Surplus	**227,800**	**57,400**	**69,009**
Opening Balance	0	227,800	285,200
Closing Balance	**227,800**	**285,200**	**354,209**

Financial Plan

Financial Charts

Amounts in £

Financial Summary

Legend: Revenue, Profit, Cash Balance

(Bar chart axis values: 1,000,000 / 800,000 / 600,000 / 400,000 / 200,000 / - ; categories: Year 1, Year 2, Year 3)

Structure of Expenses

- 27% Cost of Goods Sold
- 2% Marketing
- 24% Manpower
- 33% Commissions
- 14% Rent & Utilities
- 0% Depreciation

Source: Management Information
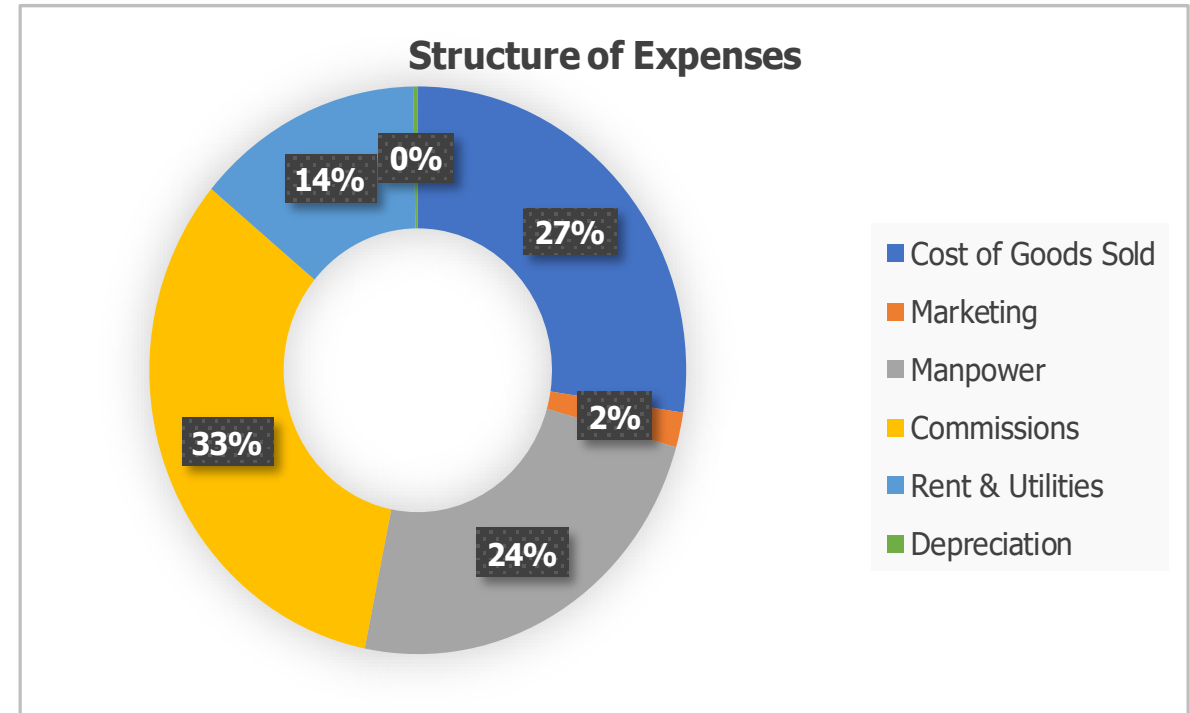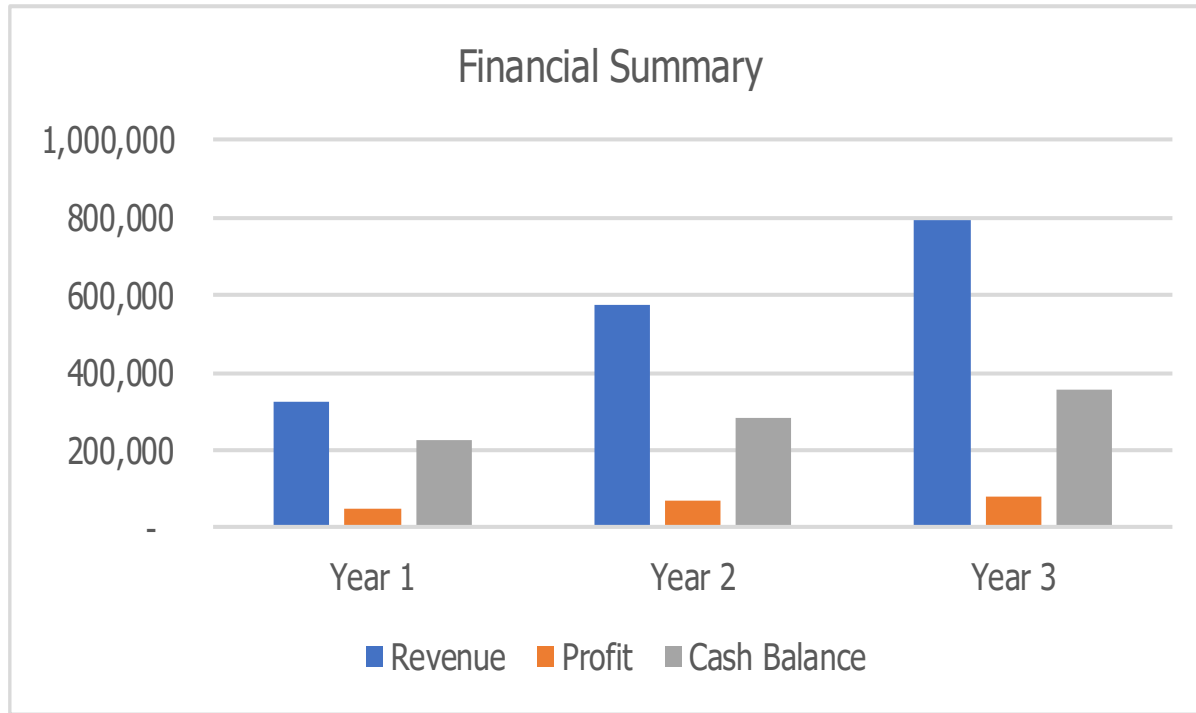
Financial Plan

Key Financial Indicators

Key Financial Indicators

Particulars	Value
Revenue Growth	25%
Profit Growth	13%
Cash Growth	12%

Source: Management Information

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Appendix

Appendix

Revenue Assumptions

Particulars		Year 1		Year 2		Year 3
Number of Orders per day		50		80		100
Average value of orders	£	18	£	20	£	22
Number of days		360		360		360
Total Orders		18,000		28,800		36,000
Total Revenue	**£**	**324,000**	**£**	**576,000**	**£**	**792,000**