

# **Business Plan**

## **EAT: Everyone All Together**

By: Nicholas Batchelor

## **Introduction**

For decades anarchists and dirty hippies have been dumpster diving searching for treasures among trash. These fringe individuals are seeking solutions for our societies artificial scarcity on an individual level. Our earth has enough food to feed 11 billion people, so why do we struggle to feed 7 billion? The answer to this problem is glorified, professional dumpster diving, on a community-wide level with intervention before food hits the dumpster. E.A.T offers to fill in the disconnect and solve artificial scarcity in the twin cities while creating a local-centric movement.

## **Executive Summary**

Everyday, people in our communities are going hungry with no foreseeable hope of reestablishing a proper source of nutrition. Simultaneously, on the other end of the spectrum, companies and corporations that provide food for those who can afford it, find themselves in a position of throwing away perfectly usable, and in most cases uncooked food. This contradiction paired with the ever rising growth of population is leaving our communities with the ongoing divide of those who can't support themselves and those who don't recognize the issue at hand. Our service provides the intermediary of closing this gap, and repurposing food that would otherwise go to waste. By doing so we create an environment where all walks of life can prosper.

It is estimated that 25-40% of food grown, processed and transported in the US will never be consumed. While nearly 42 million americans can't afford every meal and face hunger daily. Our team wants to create a non-profit network of services that primarily recycles food from local restaurants and grocery stores that would otherwise be thrown away. Currently, businesses in the food industry throw away millions of dollars of usable food due to undesirability to their everyday consumers, while there are people in our communities who go to sleep hungry on a daily basis. As a team we are planning on going door-to-door to restaurants and grocery stores to ask them to use our service. The challenge is being able to transfer all of these goods without them expiring or going bad. A solution would be faster transportation of the goods and a partially refrigerated truck for all the cold goods. We are creating one big community where all humans are given access to quality food.

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## **Industry, Customer, and Competitor Analysis (Market Analysis)**

We are a non-profit network of services that primarily recycles food from local restaurants and grocery stores that would otherwise be thrown away. Our team redistributes the food to food pantries and people in need. Initially, our service will root solely in the the Minneapolis area. Once gaining brand recognition, we would expand to the surrounding Minnesota communities, with the goal to create a need for our mission nationwide. Our projected growth rate is to help service several communities in Minnesota within the first couple of years. By our fifth year of business we are hoping to expand outside of the state of Minnesota and within 20-25 years be serving the whole nation. We project to see more business during major holidays, like Thanksgiving or Christmas, where food pantries like to provide larger meals for families in need.

Our key customers are restaurants and grocery stores as well as food banks. We are the service of transporting goods from one location to another so we service both the supplier and customer. Restaurants and grocery stores are essentially our suppliers because they are providing the unused food for us to deliver. They also service as our customer because they are using our service of transporting their goods.

In the Twin-Cities area, there are at least 25 food shelves and food banks. They share a similar characteristic with our business, so they can be our competitors. However, our service is different from their's in other ways. We work in the business of picking up and transporting donated food to food shelves and other places to help feed the hungry. So we don't have any DIRECT competition, but the food shelves and food banks do compete in the sense that our service can be bypassed by donating to them directly. With the industry we are in, these organizations work more like allies in our effort to fight hunger, rather than competing for business. Also there is a 'March Campaign' which is the largest grassroots food and fund drive in the state, so to adjust this market, we can participate in this campaign to develop the relationships with other organizations and share some know-how each other.

We contacted local restaurants in the surrounding suburbs of the metropolitan area. Through explanation of our service, we have found that all surveyed companies were interested in the service.

We are, in a way, an intermediary. As we transport the food from the donors to the food shelves who serve it to the needy. In a traditional for-profit model, we could be considered a wholesaler. However, since we do not buy the food, nor do we profit off of it, this is a different situation. We are a non-profit intermediary.

As far as target market goes, we have different target markets for our different focuses. Our services will be targeting restaurants on one end, and food banks on the other end. Our marketing efforts would predominantly be focuses towards donors in order to fund our operations.

## **Company and Product Description**

EAT is a Non-Profit Corporation with the goal to provide a communal service of relocation and redistribution of edible organic materials to the less fortunate, cutting down on the act of wasting in our communities. We work primarily as an intermediary between restaurants and grocery stores to the food banks who supply the hungry with food.

## **Marketing Plan**

**Price:** We are a non-profit organization, but we will always allow for donations on our website or by check through mail or fundraising events. We will give out rewards for meeting certain thresholds of donations. For example: For \$50 we will give a sticker, \$100 we will give a pin, \$200 we will give a T-shirt.

**Promotion:** Our business acts as a middle role, like a broker that collects waste food from local restaurants and give it to Food Banks or Food Shelves. There could be 3 customers: local restaurants, grocery stores, and monetary donors.

- Visit each one of small restaurants/ grocery stores and explain our business directly
- Each participating store/ restaurant could get a sticker to put on their door or window to show people that they are helping give back. By doing this, gives the store a good image and promotes our service to other stores
- Display partners on our website so supporters can actively seek out participating businesses. Also through our website, restaurant owners can choose the type and quantity of food products that they wish to donate with click of a mouse. Then our truckers will go their restaurant to pick up food
- Guerilla Marketing on social media through emotions tied to hunger, food waste
- With state government; conduct government ad campaign
- Make monthly magazine or brochure for our customers about information such as the exact amount of food that we collected, which food bank we delivered to and so on

**Place:** We plan to put our base of operations in the Court International Building. This building is full of other non-profits which will encourage a collaborative environment. They charge \$14.50 per square foot per year. However, our primary business operations would be mobile. With our trucks, we would be able to be anywhere whenever we are needed. We would go to our suppliers to collect from them, and we would also go out to other locations to promote for fundraisers.

**Market Survey:** As stated in earlier section, we contacted local restaurants in the surrounding suburbs of the metropolitan area. Through explanation of our service, we have found that all surveyed companies were interested in the service.

## **Operations**

Nicholas Batchelor; Founder/Operations Manager/ Trucker; Oversees team projects and fundraising attempts & participates in transportation services; pursuing Bachelor degree in Entrepreneurship with a minor in Food and Agriculture Business Management; Extensive experience in the Restaurant industry with first hand experience of the dangers of the current food wasting situation

Position 1; Marketing/Finance/Trucker; orchestrates marketing campaigns & supplements in the finance department while also participating in transportation services; pursuing Bachelor degree in Political Science and History; Experience with Nonprofit organizations with a knack for understanding the needs of all walks of life

Position 2; Marketing/Research/Trucker; key player in terms of creating creative marketing campaigns & supplementing the company with essential research to back up idea generation, while also participating in transportation services; pursuing Bachelor degree in Product Design; Experience with design and a keen eye manipulating the design of something to become desirable to the mass public

Position 3; Finance/Trucker; chief financial officer and overseer of all cash flow relations while also participating in transportation services; Pursuing a degree in Communications with a dual minor in Management and Product Design; Extensive experience with sales and relationship building with a knack for financial systems

Position 4; Research/Trucker; key player in research operations, implementing her findings into the expansion and sustainability of our service while participating in transportation services; pursuing a Bachelor degree in English Literature; Strong experience with conducting effective research and implementing it into desirable ideas

## **Development Plan**

Future expansion of the company would cause the desire to expand our positions to:

- Truck Drivers
- Specialized Fundraising team
- Band of Volunteers

Our service would provide companies, in the food industry, with the service of picking up, and transporting edible organic materials that would otherwise be wasted, to local food shelves that would then plan to redistributed to the less fortunate.

## **Founding Team, Board, and Advisors**

• Board of Directors and Advisors (helps to sell credibility for the company), backgrounds included

**Nick Batchelor** (28% equity): At age 19, Nicholas Batchelor has excelled in every position of the restaurant world aside from Manager & Bartender (due to age limitations). Nicholas is currently a Server, Student, and Striving Entrepreneur. He helps a wide base of customers at Biaggi's Ristorante Italiano, providing peak hospitality service customized to each individual. Originating from St. Michael, Minnesota, he currently resides in Minneapolis while attending the University of Minnesota studying Food and Agricultural Business Management with a focus in Entrepreneurial Management. Nicholas is a confident small group connection builder, and has also been known to excel when faced with adversity. Nicholas has been working in restaurants for 5 years, and has a passion for the industry and services provided to the community through hospitality and relationship networking.

## **Critical Risks**

Our primary critical risk is not receiving enough donations. Due to our business model, much of our funding relies on donations from individuals and organizations. In order to combat this, we have incentives to donate to us which will "show off" that these people and organizations donated to us. Since people like to feel good about themselves and show that off to other people, it will make them more likely to donate.

## **Offering/Funding Request**

Our initial operations, require funding from private donations, government grants, and subscription based payments for access to our companies enhancement of their own brand.

- Estimated funding for our operations, including three trucks, would require \$294,650 of revenue to break even with our foreseeable costs.
- We expect fast growth within the first year of operations, our goal would be to maintain a frugal environment to over compensate for the expectation to see a fall in revenues after the first year.

## **Financial Plan**

The income statements below detail the exact numbers we anticipate for our first 5 years of operations. We will reach out to students at the University of Minnesota and surrounding communities as potential donors as well as the companies who donate the food to us in the Supplier Donations section. For our first year of operations, we should be able to secure both corporate and governmental grants to help us get off the ground. After that, we anticipate to be able to survive solely off donations from individuals, organizations, and our suppliers.

Our primary costs include the financing of vehicles, the maintenance, fuel, and insurance for them, promotional materials, and office space with storage for all of these things. In our first year we plan to purchase only one truck, and as we expand we will add more to our fleet.

The \$200,000 in individual donations in our first year will come throughout the year, before we start and all the way up until 1 year of operation. Since we anticipate coming out ahead each year with more revenue in donations than costs, we plan to utilize the leftover money to buy extra food when we do

not receive enough. We also plan to save some for economic downturns, as in those times our services will be needed more but we will likely receive a drop-off in donations.

## INCOME STATEMENTS

EAT

Income Statement

For Year 1

Revenues:

Individual Donations	200,000
Organization Donations	50,000
Supplier Donations	27,300
Corporate Grants	50,000
Governmental Grants	30,000
Total Revenues	357,300

Expenses

Wage Expense	208,000
Rent Expense	2,175
Supplies Expense	15,000
Utilities Expense	5,000
Equipment Expense	30,000
Insurance Expense	18,000
Gas Expense	16,475
Total Expenses	294,650
Net Income	62,650

EAT



Income Statement

For Year 2

Revenues:

Individual Donations	250,000
Organization Donations	60,000
Supplier Donations	39,000
Total Revenues	349,000

Expenses

Wage Expense	208,000
Rent Expense	2,175
Supplies Expense	15,000
Utilities Expense	5,000
Equipment Expense	50,000
Insurance Expense	30,000
Gas Expense	27,458
Total Expenses	337,633
Net Income	11,367

EAT

Income Statement

For Year 3

Revenues:

Individual Donations	300,000
Organization Donations	75,000
Supplier Donations	58,500

Total Revenues	433,500
Expenses	
Wage Expense	208,000
Rent Expense	2,175
Supplies Expense	15,000
Utilities Expense	5,000
Equipment Expense	50,000
Insurance Expense	30,000
Gas Expense	27,458
Total Expenses	337,633
Net Income	95,867

EAT

Income Statement

For Year 4

Revenues:

Individual Donations	350,000
Organization Donations	90,000
Supplier Donations	78,000
Total Revenues	518,000
Expenses	
Wage Expense	208,000
Rent Expense	2,175
Supplies Expense	15,000
Utilities Expense	5,000

	Equipment Expense	50,000
	Insurance Expense	30,000
	Gas Expense	27,458
Total Expenses		337,633
Net Income		180,367

EAT

Income Statement

For Year 5

Revenues:

	Individual Donations	400,000
	Organization Donations	105,000
	Supplier Donations	97,500
Total Revenues		602,500

Expenses

	Wage Expense	291,200
	Rent Expense	10,875
	Supplies Expense	35,000
	Utilities Expense	15,000
	Equipment Expense	60,000
	Insurance Expense	36,000
	Gas Expense	38,441
Total Expenses		486,516
Net Income		115,984

“We are a passionate, multi-disciplinary group, with optimistic hopes rooted in attainable, realistic goals. We believe in community, Everyone all together, confronting the problems that plague some of us like they plague all of us.”