NYC Launch Evaluation & Recommendations

Project Juniper

RoR Team - BizOps

Today's Objectives:

01   Discuss how Juniper has performed in NYC

02   Identify opportunities to improve BizOps

03   Recommend initiatives to address opportunities

04   Discuss potential risks and implications

Juniper's expansion into NYC has encountered significant operational challenges that necessitate our immediate attention and resolution

What we know

⬇ Weekly Revenue

⬇ New Customers

⏱ Long Delivery Times

🏪 Concentrated Merchants

What we recommend

1 Improve courier wait time

2 Optimize our merchant mix

NYC's Revenue & Customer Growth

	Week 1	Week 2	Week 3	Week 4	Week 5
Total Revenue	$18,756	$32,115	$34,922	$28,259	$24,657
New Customers	442	868	696	666	520

Legend: ■ Total Revenue ▬ New Customers

Courier wait time accounts for 40%+ of our fulfillment time, causing a significant slowdown in our overall delivery process

Delivery Process:

Step 1	Food Prep Time	Step 2	Courier Wait Time	Step 3	Delivery Time	Step 4
Restaurant accepts order	13 Mins	*Courier arrives at pickup*	19 Mins	*Courier leaves pickup*	14 Mins	*Courier drops off order*

% of total delivery time   **28%**   **41%**   **31%**

Our largest bottleneck today
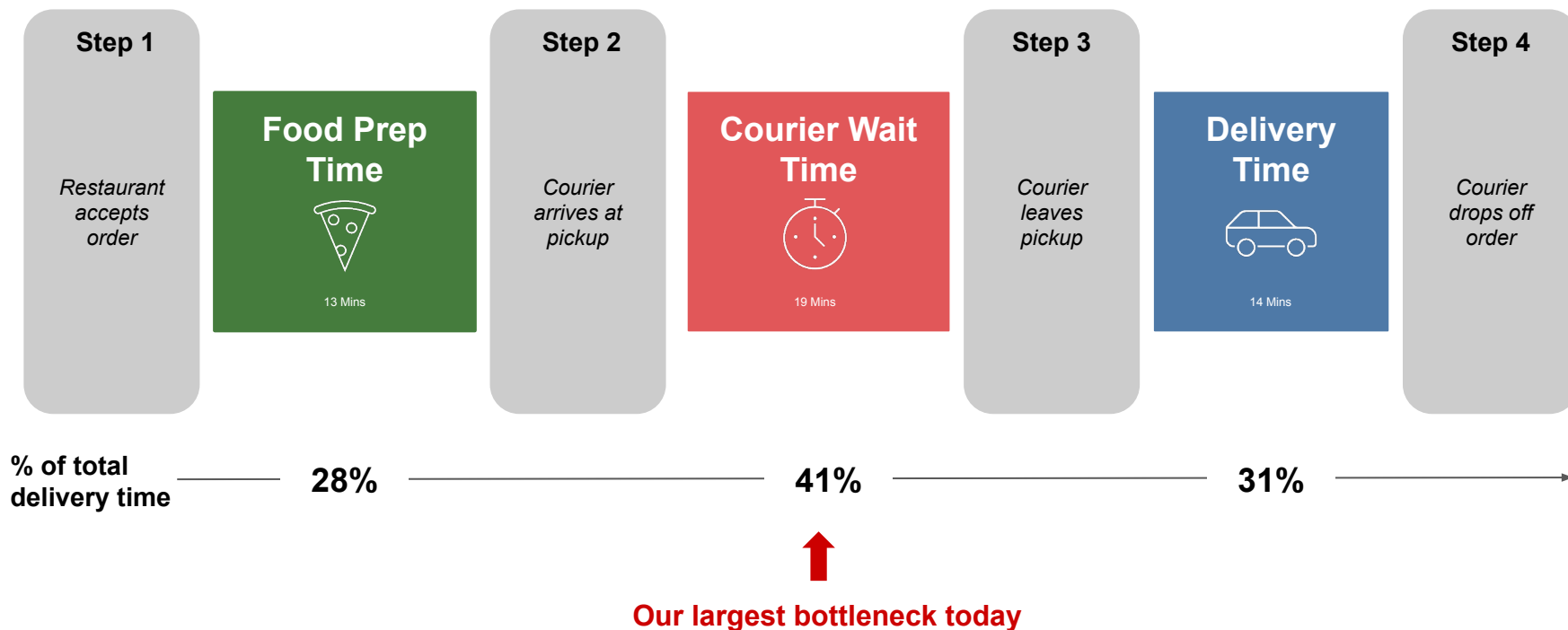
Improving courier wait time will address root cause issues bringing order fulfillment time within industry standard

Current Timing (Minutes)   Desired Timing (Minutes)
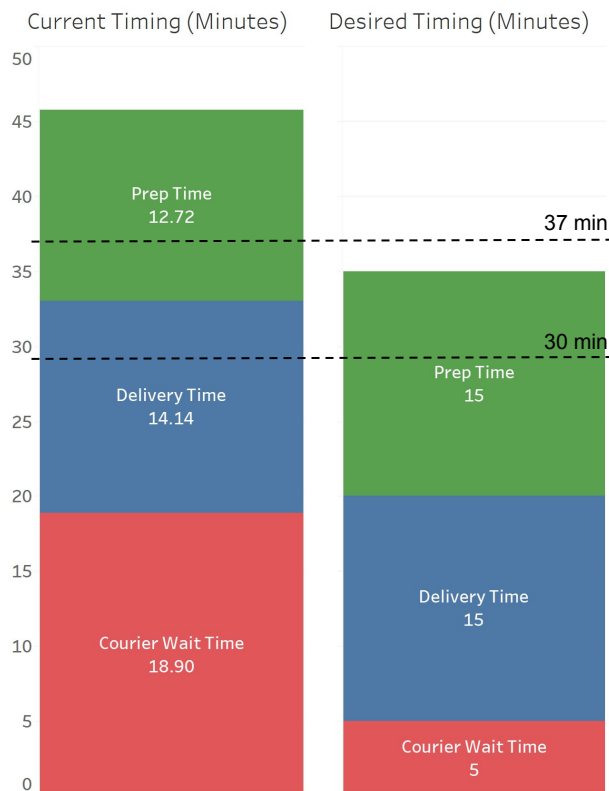
Impacts addressing courier wait time will have:

Operational Impact
- Proxy for order matching
- Increases courier capacity

Stakeholder Impact
- Happier merchants, customers, & couriers
- Reduced congestion, better compensation

Unbiased Metric
- Applicable to all categories & locations
- Allows for effective cross-category comparison

37 min

30 min

Prep Time 12.72

Delivery Time 14.14

Courier Wait Time 18.90

Prep Time 15

Delivery Time 15

Courier Wait Time 5

By setting a stretch target of 5 mins, we can bring our overall fulfillment time to industry standard

We recommend a stage-gated approach to effectively reduce our courier wait time

Stretch Target: 5 min Courier Wait Time

❓ How it works   **Est. Cost**

Short Term

Homepage & Search Recommendations

Optimize merchant placement based on weighted criteria

Incl. Rev, CWT, Rating, Geo Proximity

$35K - $40K
1 Developer

- - - **Decision Point[2]** - - -

Medium Term

Empower Merchants

Add 'Order Prep Start' and 'Order Ready' timestamps, merchant sets estimate[1]

Reward accuracy *(actual vs. estimate)*

Collect data for predictive model

$90K - $100K
2 Developers

If Required

- - - **Decision Point** - - -

Long Term

Launch Predictive Model

Set 'optimal' order prep time based on historical order data

Reward merchants accurate time estimates *(actual vs. model)*
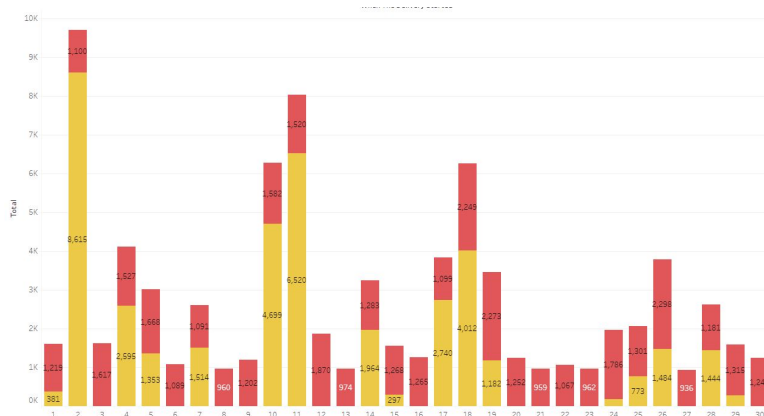
$140K - $150K
2 Developers

If Required

1. Assumes merchants don't set estimates today, 2. Continue if CWT flatlining or increasing

In addition, our dependence on shop merchants poses a substantial risk of encountering revenue fluctuations and impeding our ability to scale

Place Category

Daily Revenue By Place Category

Daily Order Amounts By Place Category

Insight: Daily Revenue does not proportionally increase with Daily Order Amounts

Implication: Juniper needs to increase revenues from its top 5 Non-Shop merchants while continuing to maximize Shop Merchant revenues to create a stable upward trajectory that maximizes revenue growth and allows the business to scale.

Through strategic investments in our top 6 merchant categories within the 10 most prominent zones in Manhattan, we can achieve substantial scalability

Today, Manhattan Drives 95% of Juniper's Revenue…

- Juniper is in Manhattan, Brooklyn, and Queens
- 95% of revenue is from Manhattan, while 4% is from Brooklyn and 1% is from Queens.

…out of 200+ Zones in Manhattan, The Top 10 Drive 45% of Revenue…

- There are 200+ Zones in Manhattan
- The Top 10 Drive 45% of Revenue, the other 190 drive 55% of revenue

…out of ~50 Merchant Categories, Top 6 Drive 60% of Revenue

- Shop Drives 30% of revenue
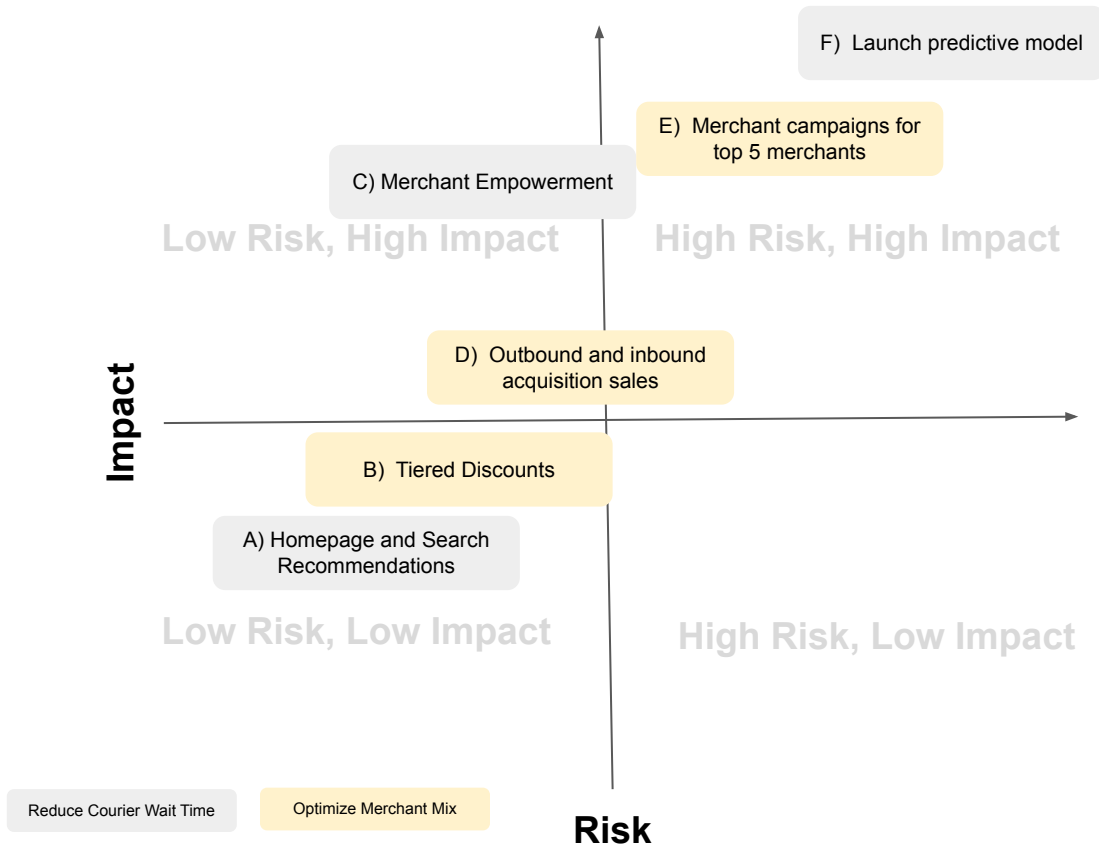- Burger, American, Italian, Japanese, and Sushi Drive the Other 30%

We recommend a three-pronged approach to resolve revenue volatility and create sustainable business growth

? How it works   **💲 Est. Cost**

First Priority

Tiered Discounts with Top 5 Non-Shop Merchants

On orders of $30 and higher..

30% in the first week of signing up
20% in the second week of signing up
10% in the third week of signing up

$18/order over three weeks

Second Priority

Merchant Campaigns for Top 6 Merchant Categories

Provide campaign advisory to Merchants to help them grow revenue through in-app campaigns

$225K
3 CSMs for
$75k/year

Third Priority

Outbound and Inbound Merchant Acquisition Sales

Traditional outbound and inbound sales team.

Outbound focuses on Top 6 merchant categories.

$300K
6 BDRs for
$50K/year

Although both recommendations entail certain risks, they should not hinder our implementation process

Anticipated Risks

A Prioritizing low CWT merchants could drive order volume

B Could set precedent for consumers to consistently anticipate discounts

C Merchants may not be receptive to setting own prep times

D Onboarding costs for new merchants

E Merchants may not be receptive to campaign advisory solutions

F High implementation costs and development time

Impact (vertical axis)

Risk (horizontal axis)

F) Launch predictive model

E) Merchant campaigns for top 5 merchants

C) Merchant Empowerment

Low Risk, High Impact

High Risk, High Impact

D) Outbound and inbound acquisition sales

B) Tiered Discounts

A) Homepage and Search Recommendations

Low Risk, Low Impact

High Risk, Low Impact

Reduce Courier Wait Time

Optimize Merchant Mix

In summary, we strongly recommend the swift implementation of our two recommendations

Recommendations

Summary

Implementation

Reduce Courier Wait Time

- Optimize merchant placement
- Empower merchants
- Predictive Model

- Develop merchant criteria
- Gather delivery and prep data
- Launch predictive model

Optimize Merchant Mix

- Tiered merchants
- Top merchant campaigns
- Inbound/outbound sales teams

- Launch discount & A/B test
- Hire merchant success team
- Hire sales team

Appendix

What Drives Customer Satisfaction

Revenue Projections (1 Year)

Revenue Mix (1 Year)

Model Output

What Drives Customer Satisfaction
(as measured by Total Rating)

SUMMARY OUTPUT				
Regression Statistics				
Multiple R	0.974264869			
R Square	0.949192035			
Adjusted R Square	0.949113222			
Standard Error	0.247915371			
Observations	1938			
ANOVA				
	df	*SS*	*MS*	*F*
Regression	3	2220.678355	740.2261184	12043.63252
Residual	1934	118.8675684	0.061462031	
Total	1937	2339.545924		
	Coefficients	Standard Error	t Stat	P-value
Intercept	0.235506855	0.019912223	11.82725074	3.2657E-31
Delivery_Time	0.473663605	0.006826754	69.3834297	0
Food_Quality	0.247140818	0.006907078	35.78080555	1.2987E-215
Ordering_Experince	0.245490135	0.006856782	35.80252892	8.1323E-216

Insights

- Total rating is not an average of other ratings
  $\approx 0.2355 + 0.474T + 0.247Q + 0.245E$

- Linear regression has good fit suggesting: **Delivery Time has nearly twice the impact on Total Rating** that Food Quality and Ordering Experience has

- As a result, **prioritizing reduced delivery time** should yield the best customer satisfaction results

~$2.6 Million in Revenue is projected in first year of NYC [Manhattan] Operations with ~83,500 orders fulfilled

Monthly Revenue Projections
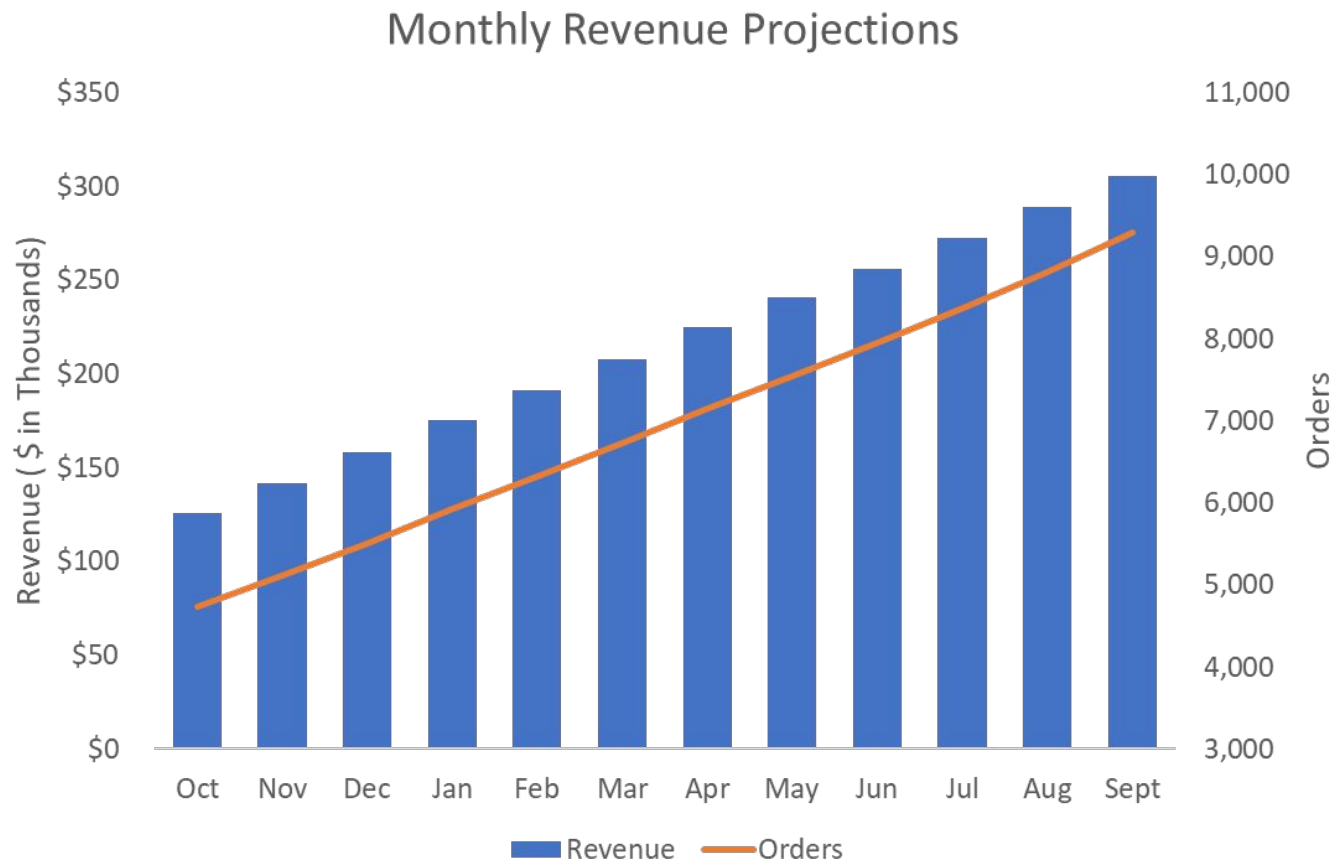
Impact - Revenue Mix

Revenue Mix Over Time
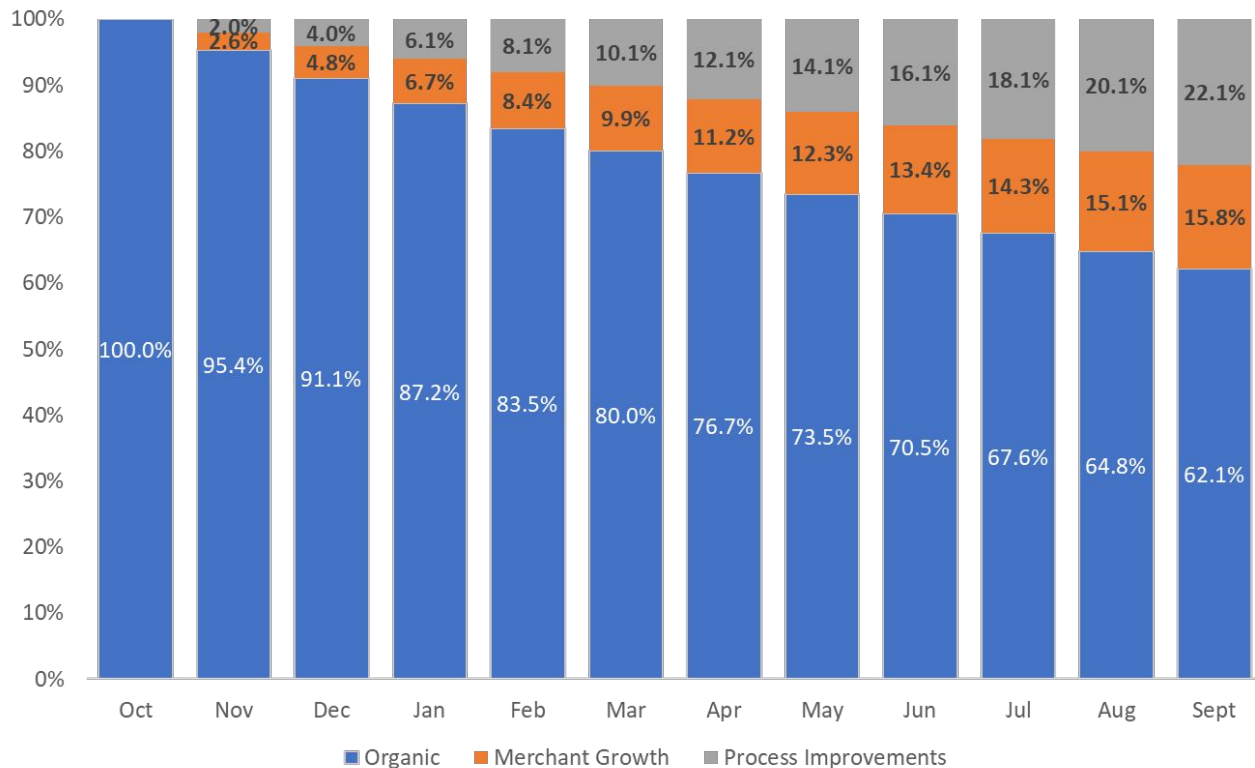
Revenue from Process Improvements, driven by increased courier capacity

Model Output

Juniper Revenue Projections

$ in actual figures	Oct-20A	Nov-20E	Dec-20E	Jan-21E	Feb-21E	Mar-21E	Apr-21E	May-21E	Jun-21E	Jul-21E	Aug-21E	Sep-21E	Total
Revenue Breakdown													
Orders	4,733	5,111	5,510	5,931	6,317	6,725	7,153	7,539	7,943	8,368	8,816	9,286	83,432
Organic Orders	4,733	4,875	5,021	5,172	5,275	5,381	5,489	5,544	5,599	5,655	5,712	5,769	64,225
New Merchant Orders	-	133	266	399	532	665	798	931	1,064	1,197	1,330	1,463	8,778
Orders from increased courier Capacity	-	103	223	360	510	679	866	1,064	1,280	1,516	1,774	2,054	10,429
ARPO	$26.60	$27.66	$28.63	$29.49	$30.23	$30.83	$31.45	$31.92	$32.24	$32.56	$32.73	$32.89	
Monthly Revenue	$125,897.80	$141,390.70	$157,763.64	$174,912.35	$190,953.35	$207,352.31	$224,959.83	$240,655.92	$256,087.71	$272,487.90	$288,511.54	$305,412.18	$2,586,385

Project Impact on Revenue

$ in actual figures	Oct-20A	Nov-20E	Dec-20E	Jan-21E	Feb-21E	Mar-21E	Apr-21E	May-21E	Jun-21E	Jul-21E	Aug-21E	Sep-21E	Total
Revenue From Organic Growth	$125,898	$134,862	$143,762	$152,529	$159,455	$165,913	$172,628	$176,973	$180,516	$184,144	$186,930	$189,740	$ 1,973,349
% of Rev	100%	95%	91%	87%	84%	80%	77%	74%	70%	68%	65%	62%	76%
Revenue From Merchant Growth	$ -	$ 3,679	$ 7,616	$ 11,767	$ 16,082	$ 20,504	$ 25,097	$ 29,719	$ 34,304	$ 38,978	$ 43,525	$ 48,117	279,389
% of Rev		2.60%	4.83%	6.73%	8.42%	9.89%	11.16%	12.35%	13.40%	14.30%	15.09%	15.75%	10.80%
Revenue From Process Improvements	$ -	$ 2,849	$ 6,385	$ 10,617	$ 15,417	$ 20,936	$ 27,235	$ 33,964	$ 41,268	$ 49,366	$ 58,056	$ 67,555	333,648
% of Rev		2.02%	4.05%	6.07%	8.07%	10.10%	12.11%	14.11%	16.11%	18.12%	20.12%	22.12%	12.90%

Delivery Time Table

	Oct-20A	Nov-20E	Dec-20E	Jan-21E	Feb-21E	Mar-21E	Apr-21E	May-21E	Jun-21E	Jul-21E	Aug-21E	Sep-21E	Total
Avg Fulfillment Time by Interval (Minutes)													
Avg Food Prep Time	12.72	12.91	13.10	13.29	13.48	13.67	13.86	14.05	14.24	14.43	14.62	14.81	
Avg CWT per Order	18.9	17.74	16.58	15.43	14.27	13.11	11.95	10.79	9.63	8.48	7.32	6.16	
Avg Delivery Time	14.14	14.21	14.28	14.36	14.43	14.50	14.57	14.64	14.71	14.79	14.86	14.93	
Average Fulfilment Time (Minutes)	45.8	44.9	44.0	43.1	42.2	41.3	40.4	39.5	38.6	37.7	36.8	35.9	
Total Fullfillment Time by Interval (Minutes)													
Total Food Prep Time	60,204	65,983	72,181	78,823	85,153	91,931	99,141	105,923	113,108	120,750	128,890	137,526	1,159,612
Total CWT Time	89,454	90,678	91,374	91,486	90,123	88,154	85,478	81,358	76,518	70,919	64,504	57,186	977,230
Total Delivery Time	66,925	72,636	78,701	85,140	91,133	97,501	104,219	110,384	116,868	123,721	130,976	138,625	1,216,828
Total Fulfilment Time (Minutes)	216,582	229,296	242,256	255,448	266,409	277,586	288,838	297,665	306,494	315,390	324,370	333,336	3,353,671
Courier Wait Time Saving		5,801	12,248	19,359	26,906	35,016	43,695	52,501	61,744	71,432	81,570	92,148	502,420

Assumptions & Growth Rates

	Oct-20A	Nov-20E	Dec-20E	Jan-21E	Feb-21E	Mar-21E	Apr-21E	May-21E	Jun-21E	Jul-21E	Aug-21E	Sep-21E	Notes
Organic Order Growth	0.0%	5.0%	5.0%	5.0%	4.0%	4.0%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	Front loaded grow
New Merchant Cannibalization Rate	0%	-2%	-2%	-2%	-2%	-2%	-2%	-2%	-2%	-2%	-2%	-2%	Assumes merchan
ARPO Growth Rate	0.0%	4.0%	3.5%	3.0%	2.5%	2.0%	2.0%	1.5%	1.0%	1.0%	0.5%	0.5%	ARPO Growing fro
New Merchants (Cumulative)	-	37.4	75	112	150	187	225	262	299	337	374	412	Increasing Mercha
Monthly Orders Per New Merchant	-	4	4	4	4	4	4	4	4	4	4	4	Based on current
Courier Increased Capacity Utilization Rate	0.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	Assumes that 80%
Avg Food Prep Time Change (Minutes)	0	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	Linear interpretati
Avg CWT Time Change (Minutes)	0.0	-1.16	-1.16	-1.16	-1.16	-1.16	-1.16	-1.16	-1.16	-1.16	-1.16	-1.16	Linear interpretati
Avg Delivery Time Change (Minutes)	0.0	0.072	0.072	0.072	0.072	0.072	0.072	0.072	0.072	0.072	0.072	0.072	Linear interpretati

Starting Values

Organic Orders	4,733
Avg Food Prep Time	12.72
Avg CWT per Order	18.9
Avg Delivery Time	14.14
ARPO	26.6

Model Notes & Callouts

1. Primary goal of this model is to evaluate **impact of reccomendations**
2. Models are only as good as their INPUTS (In blue) & the assumptions behind them
3. Model assumes orders from organic growth will outpace canibilzation rate of New merchants growth
4. ARPO Growing from $26.6 (Current) to $33.1 would be equivalent to closing 80% of the gap between current ARPO and ARPO excluding cancelled Orders. (Current ARPO excluding 0s is $
5. Orders from Increased Courier Capacity assumes that demand will not limit output (sufficient demand)
6. Current Growth & Cannibilzation rates lack supporting evidence, but inferring growth rate from available 5 weeks of data would be dubious