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Report on

Cloud Kitchen

Submitted to:

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LETTER OF TRANSMITTAL

2nd June 2024,

Dr. Md Manjur Ahmed

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University of Barishal

Subject:Letter of Transmittal for the Report **“Cloud Kitchen”**

With due respect,I am a student , 3rd year 2nd semester, Department of Finance and Banking, I am pleased to transmit the comprehensive report on Cloud Kitchen that was recently prepared by our team. This report aims to provide insights into the burgeoning concept of cloud kitchens, its operational model, market trends, challenges, and opportunities.

In recent years, the food industry has witnessed a significant shift towards innovative business models, and cloud kitchens have emerged as a disruptive force in the culinary landscape. As consumer preferences evolve and technology continues to revolutionize various sectors, the concept of cloud kitchens has gained considerable traction among entrepreneurs and investors alike.

We invite you to review the detailed proposal attached herewith. Should you have any questions or require further information, please feel free to reach out to us. We are excited about the prospect of revolutionizing the food delivery landscape through our cloud kitchen venture.

Sincerely Yours,

Dipayon Das

Department of Finance & Banking

University of Barishal.

**Acknowledgement**

First, I would like to express my gratitude to omnipotent & omniscient Allah for giving me the strength to complete the report within the stipulated time.

I am also grateful to my honorable teacher Dr. Md Manjur Ahmed for her continuous guidance, encouragement, suggestion, and important advice during the preparation of the report. Her suggestions and comments were a really great source of spirit to make my report a good one. I thank to her for sparing her valuable time to read the report,

I would like to thank all my group members who have worked hard for long this time to make the report successful and faithful.

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Dipayon Das

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# Executive summary

The concept of cloud kitchens has revolutionized the food industry. These centralized cooking spaces cater exclusively to online orders, eliminating the need for physical storefronts. By leveraging technology and operational efficiency, cloud kitchens offer a nimble and cost-effective alternative for food delivery. The online food delivery market is experiencing explosive growth, driven by increased consumer demand for convenience and a wider variety of culinary options. This trend is expected to continue, presenting a significant opportunity for cloud kitchens to capture market share. The global cloud kitchen market is experiencing robust growth, fuelled by increasing demand for convenience, changing lifestyles, and the rise of online food delivery platforms. Market size is projected to reach significant figures by with exponential growth While cloud kitchens present immense opportunities for growth and innovation, they also face challenges such as intense competition, logistical complexities, and regulatory compliance. In summary, cloud kitchens combine operational principles with cutting-edge technology, creating an Airbnb-like model in the food space. By optimizing costs and enhancing efficiency, they cater to the evolving needs of consumers and providers alike.

# Chapter 1

## Introduction

Cloud kitchens, sometimes called ghost kitchens, dark kitchens, virtual restaurants, or restaurant-as-a-service, are designed exclusively for online ordering and delivery. There is no brick-and-mortar location. There are no servers. There is just a shared kitchen, with staff cooking top-notch meals and a delivery crew distributing the food to hungry patrons at home or at work. Cloud kitchens are better suited to the needs of socially distanced customers than traditional dine-in restaurants. They are also able to minimize some costs, such as rent, and without wait staff require fewer people on the payroll. The pandemic has made cloud kitchens a more urgent need in the gastronomic market. This is a new style of eating, in a new style of normality.

Dark kitchens can take many forms. These virtual kitchens, also known as ghost restaurants, have the same operational process: orders come in, meals are prepared, packaged meals go out to the customer. However, there is a difference in the way your operations are executed. And this configuration is the standard operating model of dark kitchen. It is when a brand owns or rents a single kitchen without offering a dining room. With a brand that uses a kitchen, these companies generally focus on a single type of kitchen and rely on delivery channels and employees to handle orders and deliveries.

**Cloud kitchens** Shared commissary space. There is a shared kitchen space for restaurants to experiment with new menu items without upfront real estate costs. Delivery-only, without the front of house. Cloud kitchens are designed to cater to delivery marketplace orders either from third-party platforms or a custom website without a traditional front of house or even fast casual dining experience Shared Labor costs and equipment. Reduce recruiting and training costs with access to specialized Labor that is shared across multiple restaurants.

Cloud kitchens require less investment to open, as you no longer need a prime location with a high number of steps, reducing the cost of real estate. Also, since there is no front to the house, you do not need luxurious interiors and hospital waiting staff to ensure a great guest experience. These two factors play an important role in reducing the cost of opening cloud kitchen business. You can open a cloud kitchen to a third of the investment needed to open a traditional restaurant.

## Objective of the study:

The purpose of the study is to analyses how cloud kitchens are impacting the traditional restaurant industry, including potential disruptions and opportunities for collaboration. The main objectives of the study are as follows:

* To observe the feasibility of establishing a cloud kitchen business model.
* To analyse the scalability potential of cloud kitchens in terms of growth and market reach.
* To analyse how cloud kitchens adapt to changing market dynamics.
* To analyses external factors such as regulatory environment, technological advancements, and economic conditions.

## Methodology of the study:

The report is based on secondary data that we have collected from various sources. The major source of information was the case study of the “Strategic analysis of the cloud kitchen.” The other sources include Internet. The details of all the books and journals being used in this report are shown in the bibliography.

## Limitation of the study:

We have faced some usual constraints during the study. These are as follows:

* Relevant papers and documents were not available with sufficient data.
* Enough information was not found to make a comprehensive study.
* We had to complete this study within a fleeting time, which was not sufficient.
* In spite of our sincerity, some mistakes might have been occurred. We admit our responsibility for those inadvertent mistakes, if any.

# Chapter 2

## Industrial Background of Cloud Kitchen

The history of industrial cloud kitchens, traces back to the early 2010s. While the concept of commercial kitchens catering to multiple restaurant brands isn't entirely new, the industrial cloud kitchen model took shape with the rise of online food delivery platforms and changing consumer preferences.

**Early Adoption by Food Delivery Platforms (2010s)**:

The proliferation of food delivery platforms like Grubhub, Uber Eats, and Door Dash in the early 2010s laid the foundation for the industrial cloud kitchen model. These platforms facilitated the delivery of food from various restaurants to customers' doorsteps, driving demand for commercial kitchen spaces optimized for delivery.

**Emergence of Dedicated Cloud Kitchen Operators (Mid-2010s)**:

Around the mid-2010s, dedicated companies started emerging to capitalize on the growing demand for delivery-only restaurant concepts. These companies, such as Kitchen United and Cloud Kitchens (founded by Travis Kalanick, former CEO of Uber), focused exclusively on providing infrastructure and support services for virtual restaurant brands.

**Expansion and Market Growth (Late 2010s - Early 2020s)**:

The late 2010s and early 2020s saw significant expansion and market growth in the industrial cloud kitchen sector. Companies like Cloud Kitchens rapidly expanded their footprint, acquiring existing kitchen spaces or building new facilities in densely populated urban areas to meet increasing demand.

**Integration of Technology and Data Analytics**:

Industrial cloud kitchens leveraged technology and data analytics to optimize operations, enhance efficiency, and improve customer experiences. This included the development of proprietary software platforms for managing orders, inventory, and delivery logistics, as well as analysing customer preferences and market trends to inform menu development and brand strategies.

**Pandemic Acceleration (2020s)**:

The COVID-19 pandemic further accelerated the adoption of industrial cloud kitchens as dine-in restrictions and safety concerns drove more consumers to order food for delivery. Many traditional restaurants pivoted to virtual kitchen models to survive the economic downturn, while investors poured capital into the rapidly growing sector.

**Diverse Business Models and Innovations**:

The industrial cloud kitchen sector witnessed the emergence of diverse business models and innovations, including shared kitchen spaces, franchise opportunities, and partnerships with established restaurant brands. Some operators also experimented with advanced technologies like robotics and automation to further optimize kitchen operations.

**Regulatory Challenges and Industry Maturation**:

As the industrial cloud kitchen sector matured, it faced regulatory challenges related to zoning, licensing, and food safety regulations. Governments and local authorities began to address these concerns by developing guidelines and standards specific to virtual kitchen operations, fostering a more regulated and sustainable industry ecosystem.

Overall, the history of industrial cloud kitchens reflects the dynamic evolution of the food service industry in response to changing consumer behaviours, technological advancements, and market dynamics.

## Cloudy Spoon: A Delicious Cloud Kitchen Concept

Cloudy Spoon is a virtual kitchen concept focused on delivering high-quality, comfort food directly to your doorstep. Operating without a traditional dine-in space, Cloudy Spoon leverages the efficiency and cost-effectiveness of the cloud kitchen model.

### What We Offer:

A menu filled with all favorited comfort food classics, prepared with fresh ingredients and a touch of creativity. Think juicy burgers, cheesy mac and cheese variations, flavourful pasta dishes, and delectable desserts. We are dedicated for individuals and families seeking convenient and satisfying meals. The menu offers something for everyone, making it a great choice for quick lunches, casual dinners, or satisfying late-night cravings. Cloudy Spoon prioritizes a seamless delivery experience. We will likely partner with popular delivery platforms to ensure orders reach customers quickly and efficiently. The cloud kitchen model allows for flexibility in menu development. Cloudy Spoon can introduce seasonal specials or test new dishes based on customer feedback.

Overall, Cloudy Spoon aims to be your go-to source for satisfying and convenient comfort food delivered straight to your door.

## Cloudy Spoon Vision

Our vision is to delight customers with every bite. Also, encompasses redefining the culinary experience in the digital age while prioritizing convenience, quality, and sustainability. Cloudy Spoon will minimize food waste, use eco-friendly packaging, and support local farmers. Our vision is to be a culinary force that combines passion, technology, and community to redefine food delivery—one delicious meal at a time.

## Cloudy Spoon Mission

Cloudy Spoon aims to be a canvas for culinary experimentation. We want to create dishes that surprise and delight, pushing the boundaries of taste. Our mission is to curate diverse menus that cater to various palates. From comfort food to exotic fusions, Cloudy Spoon will offer an array of options. We envision a cloud kitchen where efficiency reigns. By optimizing processes, we can serve more customers without compromising quality. Cloudy Spoon will bring gourmet experiences to doorsteps. Anyone, anywhere, can Savor our creations without leaving home.

|  |
| --- |
| A blue and white cloud with a fork  Description automatically generated  **CLoudy Spoon**  **Whole pizza with solid fill** |
| **Chefs Special Pizza**  **6’’ / 8’’/ 10’’/ 12’’**  **Cloudy spoon special pizza 300/400/520/700**  **Four Season 300/420/580/750**  **Meat Ball Magic 350/500/650/850**  **Prawn Star 400/550/700/900**  **Pasta with solid fillPasta & Meat Box**  **250ml/450ml/660ml**  **White Sauce pasta 250/ 300 / 400**  **Red Sauce Pasta 230/ 300 / 380**  **Meat Ball Pasta 270/370/450**  **Magic Meat Ball 170/250/300** |
| **You’re invited to celebrate with us!** |
|  |



# Chapter 3

## SWAT Analysis of Cloudy Spoon

SWOT analysis is a framework for identifying and analyzing an organization's strengths, weaknesses, opportunities, and threats. These words make up the SWOT acronym. SWOT (strengths, weaknesses, opportunities, and threats) analysis is a framework used to evaluate a company's competitive position and to develop strategic planning. SWOT analysis assesses internal and external factors, as well as current and future potential. SWOT analysis consists of four components:

* **Strengths**
* **Weaknesses**
* **Opportunities**
* **Threats**

The primary goal of SWOT analysis is to increase awareness of the factors that go into making a business decision or establishing a business strategy. A SWOT analysis is designed to facilitate a realistic, fact-based, data-driven look at the strengths and weaknesses of an organization, initiatives, or within its industry. To do this, SWOT analyzes the internal and external environment and the factors that can impact the viability of a decision.

Businesses commonly use SWOT analysis, but it is also used by nonprofit organizations and, to a lesser degree, individuals for personal assessment. SWOT is also used to assess initiatives, products or projects.

### Cloudy Spoon SWOT Analysis

Analyzing the strengths, weaknesses, opportunities, and threats (SWOT) of cloud kitchens provides valuable insights into this emerging sector of the food industry. SWOT analysis provides a comprehensive framework for evaluating the internal strengths and weaknesses as well as the external opportunities and threats facing a cloud kitchen business. By understanding these factors, the cloud kitchen can develop strategies to leverage its strengths, mitigate its weaknesses, capitalize on opportunities, and respond effectively to threats in the dynamic and competitive market landscape.



**Strengths of Cloud Kitchens**

Cloud kitchens offer several strengths that have contributed to their growing popularity in the food industry. Some of the key strengths include:

* Cloud kitchens are known for their cost-effective nature compared to traditional brick-and-mortar restaurants. By eliminating the need for a physical dining space, cloud kitchens significantly reduce overhead costs, such as rent, utilities, and maintenance.
* Cloud kitchens provide a flexible and scalable business model. With lower initial investment requirements, entrepreneurs and small business owners can enter the food industry with reduced financial risks. Additionally, cloud kitchens can easily adapt to changes in consumer demand by adjusting the number of virtual brands or expanding their delivery radius.
* Cloud kitchens streamline operations by focusing solely on food preparation and delivery. This allows for optimized kitchen layouts and workflow, leading to increased efficiency in fulfilling online orders.
* Cloud kitchens often leverage technology and data analytics to make informed business decisions. By analyzing customer preferences, order patterns, and feedback, cloud kitchens can tailor their menu offerings and marketing strategies to maximize customer satisfaction and profitability.
* A prime location in a densely populated area can provide easy access to a larger customer base.

**Weaknesses of Cloud Kitchens:**

While cloud kitchens offer numerous advantages, there are also inherent weaknesses to consider:

* One of the main drawbacks of cloud kitchens is the absence of in-person dining experiences. Without a physical restaurant space, cloud kitchens miss out on the opportunity to create a unique ambiance and establish personal connections with customers.
* Cloud kitchens heavily rely on third-party food delivery platforms for order fulfillment. While these platforms provide access to a wide customer base, they also involve fees and commission charges that can impact profit margins.
* Without a physical storefront, cloud kitchens may face challenges in building brand awareness and recognition. Effective marketing strategies and collaborations with online delivery platforms are crucial to overcome this limitation.
* Managing food quality during delivery and ensuring timely arrivals can be a logistical challenge.

**Opportunities in the Cloud Kitchen Market:**

The cloud kitchen market presents several opportunities for growth and innovation:

* The global cloud kitchen market is projected to experience significant growth, driven by factors such as the increasing global population, growing disposable income, and the desire for convenience. Entrepreneurs can capitalize on this expanding market by offering unique and specialized cuisine options.
* cloud kitchen concept has gained traction globally, with Asia Pacific emerging as the most prominent market. Exploring new regions and catering to specific local preferences can open doors to untapped markets and diverse customer bases.
* Collaborating with local businesses, such as breweries or dessert shops, can expand your customer base through cross-promotions.
* Investing in efficient delivery systems and technologies can improve customer satisfaction and reduce delivery times.

**Threats to Cloud Kitchens:**

While cloud kitchens have immense potential, they also face certain threats:

* The growing popularity of cloud kitchens has led to increased competition in the market. To stand out, cloud kitchens must differentiate themselves through unique menu offerings, exceptional customer service, and efficient delivery operations.
* Depending on the location, cloud kitchens may encounter regulatory hurdles and compliance requirements, such as licensing, food safety regulations, and zoning restrictions. Staying updated on local laws and regulations is essential to ensure legal compliance.
* Fickle customer preferences and the abundance of dining options can challenge customer retention.
* Economic downturns can lead to reduced consumer spending on dining out and food delivery.

# Chapter 4

## **How we started our cloud kitchen in Bangladesh:**

The cloud kitchen or ghost kitchen or dark kitchen concept is a newborn yet has received huge recognition over the past few years. One of the significant reasons is that the pandemic situation left no option, and the only feasible idea to run a business at that time was being only virtual. People started to accept it and enjoyed ordering food at home as it was convenient and cozy. Many small businesses have been created in this arena and are running full-fledged cloud kitchens. A fascinating fact with cloud kitchens is that all the space can be used as a kitchen, and several brands can be produced and run simultaneously. Many audiences are interested to know how to build up a cloud kitchen.

We face many challenges when we think of establishing our cloud kitchen. We must solve many problems when we enter that field. Those problems are unique for us, and we face different types of constraints when we go to solve that problem. Bangladesh is an under developing country, so all the bureaucratic systems are also in a developing phase. For that reason, when an individual want to create anything, the legal system goes against him. We overcome all those barriers by using some interconnected steps.

Now let’s discuss all the crucial steps that we use while starting a new cloud kitchen business, specifically in Bangladesh.

7 Steps of Starting a Cloud Kitchen

#### 5.1.1 Start with deciding on a location:

Cloud kitchens pride themselves on the reduced budget required to set one up. The main reason for the low investment is the rental space. However, choosing the right rental space, that is, ensuring that there is proper sanitation, water supply and maintenance is very crucial. The location of the cloud kitchen matters and is mostly based on the demographics of food ordering and the type of food the cloud kitchen caters to. Cloud kitchen startups in India are usually deployed based on the demand, customer demography and the type of food produced by the cloud kitchen.

A perfect location plays a vital role for other traditional restaurants. On the contrary, a cloud kitchen location doesn’t affect that much. There’s no need to think about where customers can park their vehicles, the security system, or a cozy area. The most important thing here is the proper sanitation and water supply with low rentals, along with demographic factors, such as the potential buyers, what kind of food will be served, the demand for the offered food, etc. For example, if we want to start a cloud kitchen in Dhaka, ideally, we should be targeting areas like Gulshan, Banani, Dhanmondi, and Bashundhara R/A, where the online order numbers are significantly higher in comparison to other locations.

#### 5.1.2 Acquiring required licenses to run the business:

Licensing is a crucial part of any set up due to the legal regulations and to keep a worry-free business running. Having the proper license can save the cloud kitchen model from any legal difficulties and also let customers know of the high quality of the food and sanitation offered by the cloud kitchen. Few licenses are the must-have to run a legal and hassle-free business.

* The first step should be to get a Name Clearance for our cloud kitchen company.
* Prepare the Memorandum of Association and Articles of Association and register our company at the RJSC (The Registrar of Joint Stock Companies & Firms).
* Once that is sorted, we will be required to get a Trade License, followed by TIN and VAT certification.
* For running a cloud kitchen, you will also require a Health Certification.
* FSSAI License: Essential for ensuring the safety and quality of food produced.
* Shop and Establishment License: Permits your kitchen’s operations.
* GST Registration: Registering in GST is one of the essential steps to starting a dark kitchen, which will ensure that your business runs seamlessly. It also helps to secure licensed vendors, as it reduces the tax amount if you have a GST number.
* Fire NOC: Ensures compliance with fire safety regulations.
* Local Municipal License: Allows your business to operate within local zoning laws.
* Liquor license: If a cloud kitchen serves alcoholic beverages, it may be required to obtain a liquor license.

#### 5.1.3 Finding the suitable online order system

When we are all set with the location now, we need to think of is an online order system that will be more convenient for the type of business you will start. It can be owning a website or food app, or you can take the service of already established food delivery apps like Pathao, or Foodpanda. The food delivery app charges a 20% to 30 % commission per order. A website with esthetic food photography and an ordering system might be a good option in this case. To make it more authentic, you can introduce a system where customers can track their orders in real-time. We generally use five delivery apps. They are:

1. Food panda: Food panda reigns supreme in terms of market share, boasting the widest coverage in Bangladesh (64 districts) and the largest selection of restaurants (over 2000+). It also offers groceries and other products, making it a one-stop shop for all your needs. The user-friendly app and multiple payment options add to its convenience. However, delivery charges can be high, and occasional app glitches may occur.

2. Pathao Food: For lightning-fast delivery, Pathao Food is your champion. With an average delivery time of just one hour, it delivers quickly and reliably. Competitive prices, integrated ride-sharing services, and a user-friendly app further enhance its appeal. However, the restaurant selection is smaller compared to Foodpanda, and coverage is limited outside major cities.

3. Hungry Aki: As one of the pioneers of online food delivery apps Bangladesh, Hungry Aki enjoys immense trust and loyalty. It boasts a wide restaurant selection (over 800+) and offers discounts for credit card payments. The app also has several features that enhance the user experience. However, the interface can be cluttered, and delivery times can be longer compared to other apps.

4. Khaas Food For those seeking unique culinary experiences, Khaas Food is the best food delivery app in Bangladesh. It focuses on local and Bangladeshi cuisine, offering dishes not found on other platforms. The app also boasts competitive prices and a user-friendly interface. However, limited coverage, a smaller restaurant selection, and a less user-friendly app for some users might be limitations.

5. Shopway: Shopway offers a unique proposition by combining food delivery with groceries and other products. This makes it a convenient option for those looking for a one-stop shop. Competitive prices and a user-friendly app further enhance its appeal. However, being a relatively new app, it has a smaller user base and limited coverage outside major cities.

### 5.1.4Choosing the right online order system

In a cloud kitchen setup, choosing the right online order system is crucial for efficient operations and customer satisfaction The key considerations and an example:

* User Interface: Look for an online order system with a user-friendly interface for both customers and staff. It should be easy to navigate and place orders quickly.
* Integration: Ensure that the system integrates seamlessly with other software you use, such as POS systems, inventory management, and delivery tracking platforms.
* Customization: The system should allow you to customize menus, pricing, and promotions according to your brand's needs.
* Order Management: It should provide robust order management features, including order tracking, status updates, and notifications to keep both customers and staff informed.
* Payment Options: Support for various payment methods, including credit/debit cards, mobile wallets, and online banking, is essential to cater to diverse customer preferences.
* Analytics and Reporting: Access to detailed analytics and reporting tools can help you track sales, identify popular items, and make data-driven decisions to optimize your menu and operations.
* Customer Support: Reliable customer support is crucial in case of any technical issues or assistance needed with the platform. Example: One example of a suitable online order system for a cloud kitchen is Chow Now. Chow Now offers a customizable online ordering platform designed specifically for restaurants and cloud kitchens. It provides a user-friendly interface for customers to place orders seamlessly. Integration with POS systems and other software is available, streamlining operations. Chow Now also offers robust order management features, including real-time order tracking and notifications. Additionally, it supports multiple payment methods and provides detailed analytics and reporting tools to help businesses track performance and make informed decisions. With reliable customer support, Chow Now is a comprehensive solution for cloud kitchens looking to optimize their online ordering system.

### 5.1.5 Buying the equipment

Setting up a cloud kitchen requires several pieces of equipment to ensure efficient operations some essential equipment along with examples are:

1. **Cooking Equipment:**

|  |  |
| --- | --- |
| Commercial Range | A heavy-duty range with multiple burners and ovens for cooking various dishes simultaneously. Example: Garland Master Series Range. |
| Griddle or Grill | For grilling or searing meats, vegetables, and other items. Example: Vulcan Heavy Duty Gas Griddle |
| Deep Fryer | Essential for frying foods like french fries, chicken, and appetizers. Example: Pitco Solstice Supreme Gas Fryer. |

1. **Food Preparation Equipment:**

|  |  |
| --- | --- |
| Food Processor | For chopping, slicing, and pureeing ingredients. Example: Robot Coupe Food Processor. |
| Commercial Blender | To blend sauces, soups, and smoothies. Example: Vitamix Commercial Blender. |
| Slicers | For cutting meats, cheeses, and vegetables with precision. Example: Hobart Meat Slicer. |

1. **Refrigeration & Stroage:**

|  |  |
| --- | --- |
| Refrigerator and Freezer Units | To store perishable ingredients and finished products. Example: True Refrigeration Reach-In Refrigerator. |
| Walk-In Cooler | For larger storage needs, especially in high-volume operations. Example: Leer Walk-In Cooler. |
| Shelving and Storage Racks | To organize dry goods, utensils, and other kitchen essentials. Example: Metro Wire Shelving. |

1. **Ventilation & Exhaust System:**

|  |  |
| --- | --- |
| Hood Systems | To remove heat, smoke, and grease from the kitchen. Example: Captive Aire Hood System. |
| Exhaust Fans | For proper ventilation and air circulation. Example: Greenheck Exhaust Fan. Miscellaneous |

1. **Equipment:**

|  |  |
| --- | --- |
| Food Packaging and Wrapping | To package and wrap prepared meals for delivery. Example: Genpak Food Containers. |
| POS System | For managing orders, payments, and inventory. Example: Toast POS System. |

### 5.1.6 Hiring the right team:

#### Hiring the right team for a cloud kitchen involves several key considerations.

1. Kitchen Staff: Hire experienced chefs and cooks who are proficient in the type of cuisine you'll be serving. Look for individuals who can work efficiently in a fast-paced environment and can maintain quality standards.
2. Delivery Drivers: If your cloud kitchen offers delivery services, you'll need reliable drivers. Look for individuals with good driving records, knowledge of the local area, and excellent customer service skills.
3. Order Takers/Customer Service: Whether through phone calls, online orders, or apps, you'll need staff to handle incoming orders and address customer inquiries. Look for individuals who are organized, friendly, and can multitask effectively.
4. Operations Manager: Hire someone to oversee the day-to-day operations of the kitchen, including scheduling, inventory management, and quality control. This person should have strong leadership skills and experience in the restaurant industry.
5. Cleaning Staff: Maintaining cleanliness and hygiene is crucial in a kitchen. Hire dedicated cleaning staff who can ensure that all areas of the kitchen are always kept clean and sanitary.
6. Technical Support: Given the reliance on technology for order management and delivery tracking, having IT support staff can help troubleshoot any technical issues that may arise.
7. Marketing and Sales: Depending on your business model, you may need staff to handle marketing and sales efforts to attract customers and increase revenue. Look for individuals with experience in digital marketing, social media management, and sales.

### 5.1.7 Point of sale technology:

In a cloud kitchen, point of sale (POS) technology refers to the system used to manage and process orders, payments, and other transactions. Here's how it typically works:

* Order Management: The POS system receives orders from various channels such as online ordering platforms, mobile apps, or phone orders. It consolidates these orders into a centralized system for easy management.
* Menu Management: The POS system allows cloud kitchen operators to easily update and manage their menu items, including adding new items, changing prices, or disabling items that are out of stock.
* Order Processing: When an order is received, the POS system sends it to the appropriate kitchen station for preparation. This might include the kitchen display system (KDS) which shows orders in real-time to kitchen staff for efficient preparation.
* Payment Processing: The POS system handles payment processing, including credit/debit card transactions, mobile payments, and cash payments. It ensures secure and seamless payment processing for both customers and the kitchen.
* Analytics and Reporting: POS systems in cloud kitchens provide valuable analytics and reporting features. Operators can track sales data, monitor inventory levels, analyze customer preferences, and generate reports to make data-driven decisions.
* Integration with Other Systems: POS systems often integrate with other software solutions used in cloud kitchens, such as inventory management systems, accounting software, and customer relationship management (CRM) tools. This integration streamlines operations and improves efficiency.

### 5.1.8 Other Miscellaneous items And Marketing activities:

1. **Other miscellaneous items:** Opening a new cloud kitchen in Bangladesh requires several miscellaneous items beyond the basic infrastructure and equipment.

|  |
| --- |
| **1.Packaging Supplies:** Purchase packaging supplies such as food containers, bags, napkins, and utensils for delivering orders. |
| **2.Cleaning Supplies:** Stock up on cleaning supplies for maintaining hygiene standards in the kitchen and workspace. |
| **3.Insurance:** Purchase insurance coverage for the business, including property insurance, liability insurance, and workers' compensation insurance. |
| **4.Uniforms and Safety Gear:** Provide uniforms and safety gear for kitchen staff, including aprons, gloves, and non-slip shoes. |
| **5.Marketing Materials:** Design and print marketing materials such as menus, flyers, and promotional materials to attract customers |
| **6.Utilities:** Arrange for utilities such as electricity, water, and internet connectivity for the kitchen. |
| **7.Training Materials:** Develop training materials and conduct training sessions for kitchen staff on food safety, hygiene practices, and customer service. |
| **8.First Aid Kit:** Keep a well-stocked first aid kit on-site to handle minor injuries or medical emergencies. |
| **9.First Aid Kit:** Keep a well-stocked first aid kit on-site to handle minor injuries or medical emergencies |
| **10.Waste Management:** Set up a waste management system for proper disposal of food waste, packaging materials, and other waste generated in the kitchen. |
| **11.Accounting Software:** Invest in accounting software to manage finances, track expenses, and generate financial reports. |
| **12.Customer Feedback System:** Implement a customer feedback system to gather feedback and improve the quality of service. |

By ensuring we have all these miscellaneous items in place, we can set up a successful cloud kitchen business in Bangladesh.

1. **Marketing activities:**

Catchy marketing and advertising strategy are essential for establishing a new cloud kitchen. Marketing becomes even more necessary for a cloud kitchen as it becomes the single source of getting orders. Since we are not spending on location and other maintenance costs, we must keep a sum aside for marketing. So, opening a new cloud kitchen in Bangladesh requires creative and targeted marketing activities to attract customers. Here are some unique strategies tailored for the market:

* **Social Media Influencer Partnerships:** Collaborate with popular social media influencers in Bangladesh who have a significant following. Have them create engaging content, such as food reviews, tutorials, or challenges featuring your cloud kitchen. This can help increase brand visibility and credibility among their followers.
* **Localised Social Media Campaigns:** Develop localised social media campaigns that resonate with the culture and preferences of the Bangladeshi audience. Use platforms like Facebook, Instagram, and TikTok to showcase our menu items, offer promotions, and engage with potential customers.
* **Food Festivals and Events:** Participate in food festivals, pop-up events, and community gatherings to introduce our cloud kitchen to a wider audience. Offer samples of our signature dishes, run exclusive promotions, and interact with attendees to generate buzz and interest in our brand.
* **Collaborations with Local Businesses:** Partner with local businesses, such as gyms, offices, or universities, to offer special discounts or meal deals to their employees, students, or members. This can help us reach a targeted audience and create mutually beneficial partnerships.
* **Food Delivery Platforms Promotion:** Utilize popular food delivery platforms like Food panda, Pathao Food, and Uber Eats to promote our cloud kitchen. Offer exclusive discounts or bundle deals for customers ordering through these platforms to incentivize orders and increase visibility.
* **Virtual Cooking Classes:** Host virtual cooking classes or workshops on platforms like Zoom or Facebook Live, where customers can learn to recreate our signature dishes at home. This not only promotes our brand but also positions our cloud kitchen as an authority in the culinary space.
* **Cultural and Seasonal Promotions:** Create promotions or menu items inspired by local festivals, holidays, or seasonal events in Bangladesh. For example, offering special dishes during Ramadan or incorporating traditional Bengali flavours into our menu can resonate with customers and drive sales.
* **Loyalty Programs and Referral Incentives:** Implement loyalty programs or referral incentives to reward repeat customers and encourage them to refer friends and family to our cloud kitchen. Offer discounts, freebies, or exclusive perks for loyal patrons and those who bring in new business.

By implementing these unique marketing activities, we can effectively promote our cloud kitchen in Bangladesh and attract a loyal customer base. Tailoring our strategies to the local market preferences and cultural nuances will help us stand out and succeed in the competitive food industry.

## 5.2 Management of Cloudy Spoon

Managing a restaurant involves overseeing various aspects of operations to ensure smooth functioning and customer satisfaction. At the top is the owner, which makes sense as they are the one who owns the restaurant. Below the owner, there are four managers: finance manager, operational manager, customer service manager, and digital marketing manager. These managers are likely responsible for different areas of the restaurant’s business. For example, the finance manager might be responsible for the restaurant’s budget and finances, while the operational manager might be responsible for the day-to-day operations of the restaurant. Below the managers are the kitchen supervisors and chefs. The kitchen supervisors likely oversee the day-to-day operations of the kitchen, while the chefs are responsible for preparing the food. At the bottom of the diagram is supplies. This could refer to the supplies that are used in the restaurant, such as food and cleaning supplies.

Overall, the diagram shows a typical organizational structure for a restaurant. It has a clear hierarchy, with the owner at the top and the employees below them. The managers are responsible for overseeing different areas of the business, and the kitchen supervisors and chefs are responsible for the kitchen.

# Chapter 5

## Marketing Mix

Marketing is the process of promoting and selling products or services to target customers. However, simply having a product or service is not enough. A well-planned marketing strategy is essential to reach the right audience, create brand awareness, and ultimately drive sales. The marketing mix, comprising the 4 Ps (product, price, place, and promotion), forms the foundation of a successful marketing strategy because it realizes the right product, offered at the right price, in the right place, and through the proper (right) promotional channels.

A diagram of marketing mix

Description automatically generated

*Figure 1 4P' of Marketing*

**Product:**

This refers to what a company offers to its customers. It could be a physical item or an intangible service. If it meets the needs and desires of the target market, it’s a product.

Cloudy Spoon is a residential area based cloud kitchen near Gulshan Avenue .we provide food services at the door of our customer.Our comprised menu is set as per the customer choice.

As a service concern, we are going to produce the food by our chef with a very healthy detailing. Raw materials are collected from the nearby DCC market(local Market).

Features : Following features that Cloudy Spoon provide to their customers,

* Fresh Meat and Meat balls
* Fresh vegetables
* Fresh herbs and spices
* Good foil packaging
* Maintain the resturant Quality

**Price:**

Price reflects the value that customers perceive in a product or service. It's important to strike a balance between profitability and affordability for customers. Companies need to consider factors such as production costs, competition, and customer demand when setting prices.

We provide quality food on handsome price range according to the proportion our customer need. Different offers and discount coupon can be applied in several events and time. We keep marginal profit from each order.

For example,

**Chefs Special Pizza**

**6’’ / 8’’/ 10’’/ 12’’**

**Cloudy spoon special pizza 300/400/520/700**

**Four Season 300/420/580/750**

**Meat Ball Magic 350/500/650/850**

**Prawn Supreme 400/550/700/900**

Different price range for different proportion.

Place :

In the place analysis we will discuss about our raw materials collecting place and our marketplace.

Materials Place:

Raw Materials: For raw materials, we choose to collect them from DCC Market near Gulshan 2 or few items from whole sale market of Karwan Bazar for selective product.

Packaging: We are collecting our packaging tools and elements from Karwan Bazar. For example.

* Aluminum Foil box
* Premium Paper box
* Food Grade Plastic Cutleries
* A disposable bag of our own kitchen to deliver the food.

Market Place:

We are focusing the at the residential places in Dhaka for our business. At first we are starting from Gulshan 2 and nearby Kamal Ataturk Avenue. We will try to extend our business in other parts of Dhaka as well. In future we will try to open our new branches in Dhanmondi Residential Area, Banani, Pink City and few several places.

**Promotion:**

Promotion is very essential for an organization. It is the way to communicate with the customers or clients.It helps to know about the product among the customers. Better promotion creates better opportunities to spread over the market. We will promote our business by using Facebook Instagram and other Social media platform.

Online Advertisement option

* Facebook : In facebook we can track and find our customers lived near our kitchen.(Gulshan 2 area).Our lucrative food pictures and promotional offers will be served and published to our facebook page.Customer can place order through facebook.
* Instagram : through Instagram ,we will share our pictures and reviews of our food to update our customers.
* Build Up Software : Our very own Build up software are available to send promotional emails to local area of our own.
* PR Sending : We send PR to uprising young star and content creator to taste our food and give it a review of it.
* Food Delivery App: Our promotional advertisements and offers are available in Food Panda, Pathao Food, HungryNaki & Shohoz Food .Popup notification will be arise while browsing for food in this food delivery app.

Offline Advertisement Option

* **Posters:** It is a traditional way of advertisement. The posters are fixed on the walls of busy place. We can use this for a cheaper advertisement. It is another way to attract customers.
* **Hand Bill:** It is said the cheapest method of advertisement. If we prepare an artistic hand bill, it’s a must that it will catch people’s attention. We can easily distribute this hand bills among the people who are going through the foot path or any busy street.
* **Sales Promotion:** As a new business our sales promotion is very important. We will emphasis on it more, because it is the way to get feedback from people. Depending on it we will take future decisions. We have a target to increase our sales of service.

# CHAPTER 6

## Financing:

To start a business one should have a specific amount for invest. The amount for our investment is 1800000.00 (BDT). To fill up this amount all the partners of this business will give equally number of amount. Since we are 6 partners, everyone will give individually 300000.00 (BDT). We are starting our business with 100 % of owner’s equity so we don’t have to take any loan from bank. The partners also have bank security for facing any kind of odd situation.

|  |  |  |
| --- | --- | --- |
| Required Capital | Amount (BDT) | Amount (BDT) |
| Fixed Assets  Advanced for rent  Equipment  Total Fixed Assets  Operative expenses (Installation)  Pre operative expenses  Working Capital  Raw materials  Monthly Rent  Salaries & wages    Total Working Capital    Total working requirement | 800000.00  430000.00  100000.00  50000.00  40000.00 | 1230000.00  50000.00  300000.00  190000.00    **1770000.00** |

The cost of setting up the kitchen will vary depending upon the cuisine a cloud kitchen will offer. Suppose setting up a cloud kitchen that wants to serve items like Pizza, Pasta, and meatbox will not cost more than BDT. An estimated cost of the basic equipment will be as followed:

|  |  |  |
| --- | --- | --- |
|  | Equipment | Amount (BDT) |
|  | 4 Burner Set Stove | **BDT. 60,000** |
|  | Gas Pizza Oven | **BDT. 95,000** |
|  | Gas Deep Fryer | **BDT. 55,000** |
|  | Refrigerator | **BDT. 60,000** |
|  | Freezer | **BDT. 25,000** |
|  | Microwave Oven | **BDT. 20,000** |
|  | Double Sink | **BDT. 38,000** |
|  | Kitchen Ventilation/ Exhaust hood | **BDT. 7,000/Running Feet** |
|  | Counters | **BDT. 15,000** |
|  | Cooking Utensils | **BDT 30,000** |
|  | Miscellaneous | **BDT 25,000** |
|  | **TOTAL** | **BDT 430,000** |

|  |  |
| --- | --- |
| Particulars | Amount (BDT) |
| Legal expenses  Trade license fee and govt fees  Insurance  Miscellaneous expenses | 50,000.00  1,00,000.00  1,00,000.00  50,000.00 |
| Total | BDT 3,00,000 |

**Performance analysis:**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Year | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Sales Revenue | 1780000 | 2450000 | 3456000 | 4560040 | 7670045 | 8643409 |
| Expenses | 900678 | 899734 | 4057345 | 3000456 | 5404756 | 3450678 |
| Gross profit | 879322 | 1550266 | -601345 | 1559584 | 2265289 | 5192731 |

# CHAPTER 7

## Summary: Business Plan for Establishing a Cloud Kitchen in Bangladesh

In this study, we explore the impact of the COVID-19 pandemic on the hospitality and restaurant sector, particularly the accelerated adoption of technology and the emergence of cloud kitchens. Despite offering Value Added Tax (VAT) benefits, the Cloud Kitchen Model (CKM) presents limited sales opportunities for the Dhaka restaurant industry over the next three years. Many existing restaurant owners express interest in transitioning to CKM but cite immediate capital constraints as a barrier.

To successfully launch a CKM business, entrepreneurs are advised to develop robust business plans and seek financial backing from venture capitalists or angel investors. Establishing a strong brand presence on social media platforms is crucial for attracting customers and building trust. Additionally, CKM-based restaurants should focus on employee retention through training and benefits, while catering to customer demands through unique delivery channels and website platforms.

Despite the potential benefits of CKM, new owners may encounter challenges such as maintaining food quality consistency, brand differentiation, and customer perception. Overcoming these obstacles requires careful management and innovative marketing strategies. For instance, implementing green packaging solutions can enhance customer trust and contribute to sustainable development.

Moreover, personalized marketing tactics, such as loyalty programs and customer review incentives, can drive sales and enhance brand reputation. While delivery services in Dhaka are satisfactory, improvements in speed and efficiency are necessary to navigate the city's traffic challenges. Additionally, understanding market preferences through extensive surveys is essential for menu development and customer engagement.

In conclusion, the cloud kitchen industry in Bangladesh presents opportunities for growth and innovation but requires strategic planning, investment, and adaptability to succeed in a competitive landscape. By addressing key challenges and leveraging technology and marketing strategies, CKM businesses can thrive and contribute to the resilience of the hospitality sector in Bangladesh.

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