

May 2017

# THE DINNER DAILY INC

Laurin Mills

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CONFIDENTIAL

## Executive Summary

The Dinner Daily is on track to building a fast-growing, profitable and disruptive company in a multi-billion dollar marketplace. Over the next 3 years, we plan to become the way millions of busy Americans solve dinner, 52 weeks a year.

The Dinner Daily solves the frustrating and universal problem busy working families face every day: how to put a healthy dinner on the table every night quickly and affordably. Every day, we help thousands of busy people with three key aspects of their lives: saving time, lowering grocery costs, and eating healthier meals. We not only help families with the challenges of eating healthy consistently week after week, but also help them *lower* their food costs, as compared to other solutions that actually drive up food costs for busy families.

The Dinner Daily (“TDD”) was created by Laurin Mills, a former CPA and a busy mother of three. The inspiration for TDD came from Laurin’s own struggles working a demanding full-time job while trying to provide healthy and budget friendly dinners for her family night after night. Although there were numerous services online that appeared to offer meal planning, none truly focused on the needs of busy working people who want a simple and affordable solution for dinner. Specifically, dinner plans that are easy and quick to prepare (without lots of unnecessary or unusual ingredients), that take advantage of store specials and coupons, and do not require the user to plan it all out each week. Unable to find a service like this, and with the realization there were many other busy families and couples who shared her daily frustration with dinner, Laurin launched the company in 2011 from her kitchen table.

In 2016, we raised a small Friends and Family round and with it significantly advanced our underlying technology to enable a nationwide expansion, built our team and brought on new corporate clients, all of which allowed us to more than double our subscriber base and revenue over the past year. We have even more ambitious plans in 2017.

We now have approximately 2700 subscribers, as well as over 20 well-known companies offering TDD as a wellness benefit to their employees.

### The Dinner Daily Service:

TDD makes dinnertime easy, healthy and affordable. Each week, TDD develops complete weeknight meal plans and delivers them to subscribers online, complete with organized grocery lists and links to online coupons, all **customized to what’s on sale at over 10,500 grocery stores in 48 states**. Customers simply select their menu preference, family size, and primary grocery store at the time of sign up and then receive each week their meal plans based on specials at their chosen store.

Weekly menus are produced by our proprietary algorithm-based technology, which takes into consideration hundreds of factors and produces well-balanced, interesting and healthy plans and optimize use of weekly store specials. Our unique ability to incorporate weekly grocery store saves over \$1000 annually in food costs for an average family using our service. Because our service costs as little as \$4 per month, it is incredibly affordable for all families, and pays for itself in food savings many times over each week.

In 2017, we have three major enhancements planned which will enable us to provide a superior service to major players such as Blue Apron, at a fraction of the cost, and with a highly profitable business model. Our plan is to (1) integrate with major grocery chains’ online ordering and curbside pickup/delivery systems (2) provide a fully customized user experience, including the ability to select their desired weekly level of spending at their favorite grocery store and (3) offer menus linked to grocery store specials at 70% of all US grocery stores by 12/3/2017. To put it simply, we plan to be the way millions of everyday families make healthy dinners easy each week.

**Market Analysis:**

Our primary target customers segment are busy working families, with specific focus on busy working mothers between the ages of 30 and 55 with children under the age of 18 who value healthy eating and wise spending. They rarely have time each week to research recipes, pull together an easy menu, make shopping lists, and prepare nutritious meals each night quickly. They often cut corners serving fast food, unhealthy packaged meals, and end up overspending and feeling stressed in the process. Based on the most recent US Census data, there are over 50 million working mothers in the US.

We also have multiple secondary, but still sizable markets available to us including stay at home moms and dads, working couples who want an easy solution for dinner, and retirees who need to be budget conscious and for whom dinner is a chore. There are approximately 40 million households of couples with no children in the US.

**Competition:**

The Dinner Daily competes in the menu planning market place, where services strive to aid the preparation of meals at home. The recipe and meal plan arena is fairly crowded, although most are free sites that offer their databases of thousands of recipes and users do all the planning work. Users still have to root through pages of recipes to select the few they'll use, and recipes are not tied to local store specials. Recipes come from a variety of sources, and may or may not be healthy. There are also other fee based meal planning services but unlike TDD, they do not provide links to grocery store sales across the country, or have specific focus on working families.

The Dinner Daily indirectly competes with several other food delivery services such as Blue Apron that strive to speed the preparation of weekly dinners. However these services tend to be quite expensive, costing \$10-\$12 per person per meal. Our unique "menus based on your local store specials" approach delivers healthy meals for often less than \$3 per person. No other service saves time, money, and frustration like the Dinner Daily! Please see our Competitive Matrix chart in Appendix A that demonstrated how TDD compares favorably to our competition.

**Marketing & Sales Strategy:**

Our marketing and sales strategy is focused on building a data-driven, repeatable, cost-effective and scalable online marketing engine reaching both individuals consumers and larger groups of corporate employees through the following channels:

1. Retail- utilizing highly targeted online advertising on the channels that reach our primary target audiences the best – such as Facebook, Google and native ad format networks, content and audience-relevant blogging networks. Our experience so far has been that we can achieve favorable conversion costs using these techniques.
2. Corporates: offering TDD as a wellness benefit to both individual corporations, employee benefit networks, and membership networks that give access to large numbers of potential subscribers

**Financial:*****Revenue Model:***

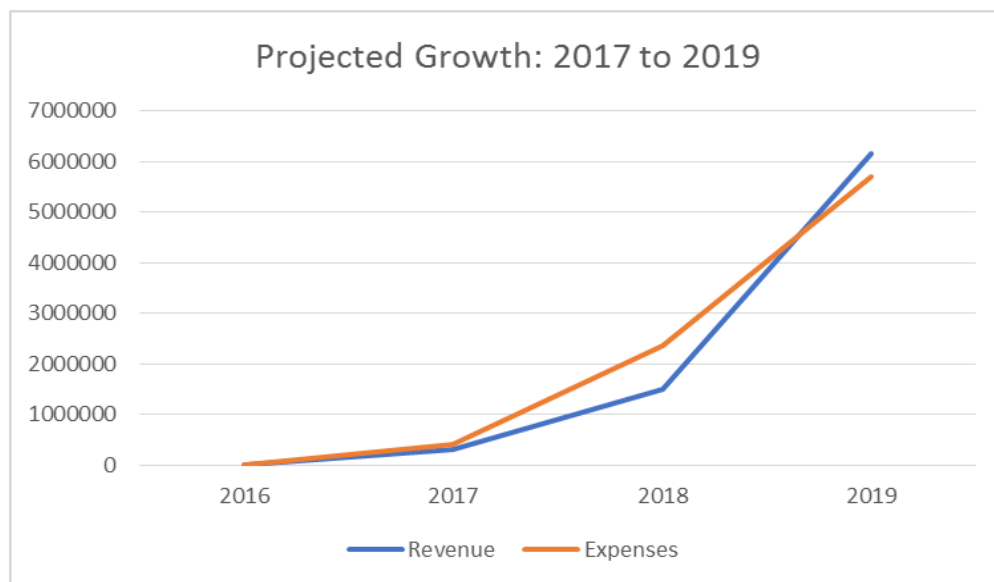
The company sells its services through a subscription based model and offers three different levels of pricing and terms as follows:

- Annual Subscription for \$48
- 6 month subscription for \$30
- 3 month subscription for \$18

All subscriptions are billed on a recurring basis unless canceled before the renewal date. For our Corporate Wellness clients we offer between a 20% and 30% discount for voluntary (employee-paid) programs and a larger discount for sponsored (company paid) programs.

Given the size of the market, the scalability of our business model, and our successful entry into the corporate wellness market, we are projecting significant growth in the next 3 years as we expect to reach \$6M in revenues by 2019, with breakeven results in 2018. Subscriber growth is also expected to grow to 137k users by year end 2019.

*Projected Growth :*



This forecast is supported by the data we have gathered so far in our marketing efforts under a more constrained budget, as well as

- Our successful entry into the corporate wellness market since the last quarter of 2015
- automation of our menu production processes, allowing us to scale our unique “menus based on your store specials” model across the country in just a few months
- planned service features and enhancements, including adding a delivery component to our service (“TDD Delivered!”) and greater level of menu customizations for our customers

Please see Appendix A for our detailed projections.

**Management Team:**

Our current leadership team consists of:

**Laurin Mills, Founder and CEO**

Laurin is responsible for making all strategic decisions of the company, overseeing recipe and product development, financial management, technology development, and sales and marketing.

Laurin is a former CPA having worked for Ernst & Young for 11 years in Boston and Sydney. She also has an MBA and MS in Accounting from Northeastern University Prior to attending graduate school, Laurin worked in commercial banking for 5 years at several large Boston based financial institutions.

### **Sally Harris, Operations**

Sally joined the company in October 2015 to lead the IT restructure and the development of our automated and scalable menu generation technology. Sally oversees numerous aspects of operations including ongoing database and algorithm management, and overseeing technical development projects. Sally has a MBA from Harvard Business School and an AB in Computer Science from Harvard Radcliffe College. She has worked as a Product Manager/Evangelist at Apple, in marketing and strategy at Silicon Graphics, in marketing at IBM, and as a venture capital analyst at Advent International.

### **Randy Corke, Operations, Marketing and Branding**

Randy joined the company in October 2015, is a highly experienced start-up marketing expert and has been on the founding management teams of numerous startups, several with exits, both B2C and B2B, in CMO and VP Business Development roles. Randy manages our overall marketing strategy, including online marketing programs, branding, and PR. He also directs the menu production team and oversees our national expansion.

### **Lisa Dougherty, Corporate Wellness Sales**

Lisa joined the company in the spring of 2016 to focus on expanding our presence in the Corporate Wellness space. Lisa spent the majority of her career at Cardinal Health in a variety of customer facing sales and business development roles and ran the New England sales team for Cardinal's billion dollar northeast sales division. Lisa earned her bachelor's degree in business administration from Westfield State University.

### *Advisory Members:*

#### **Kevin Oye:**

Kevin is a Professor of Business Strategy at Tufts University, and a highly accomplished business leader with 35 years of experience leading product development, corporate strategy, and merger and acquisition teams. As a board member, company officer, executive, and an engineer, Kevin lead initiatives where new products and technologies drove industry transformations in both startups and large corporations. Kevin was VP of Systems and Technology at Sycamore Networks, Inc. and VP, Strategy and Business Development at Lucent Technologies. He started his career at AT&T Bell Laboratories, where he held various engineering and management positions, including being a member of the founding team that built the flagship enterprise communication system that went on to achieve over \$1B/year in revenues. He received his BS in Electrical Engineering from Tufts, and his MS in Electrical Engineering from Stanford University.

#### **Stewart Sims:**

Stewart was a senior executive in a number of highly innovative small and medium sized consumer and technology businesses, including VoiceSignal Technologies, a company that developed speech recognition software for mobile phones; Covidea, a Chemical Bank and AT&T joint venture; Tiger Electronics, where he developed and marketed Furby; and Ideal Toy where he marketed Rubik's Cube and Evel Kneivel toys. Stewart has been a SCORE mentor for the past 8 years, where he has helped entrepreneurs, startup companies, and small businesses develop and build their business, with a focus on marketing, business development and sales. He received an MBA from the Harvard Business School.

#### **Greg Ross:**

Greg served as the Executive Vice President, New England Life Insurance Co. where he was head of Information Technology & Customer Service. He also is the President and Founder of eStrategies Consulting, a firm specializing in technology and management strategies and advice for established firms and start-ups. Greg also created and founded a non-profit charity to support a public library in MA. Greg has been a SCORE mentor for the last 5 years focusing on e-commerce startups. He holds a BA in Economics from Tufts University.

## **Funding Needs:**

We are seeking to raise \$100,000 in the next 6 months to support the following:

### **Marketing and Promotion (\$35,000)**

- Scale online marketing promotions nationwide (Facebook and Google Network)
- Advertising-both traditional and online

### **Continued Investment in Technology and Product: (\$40,000)**

- Integration with grocery store online delivery services
- Website restructure and redesign
- Recipe development

### **Talent Acquisition (\$25,000)**

- Business Development and Sales: lead generation and account management for Corporate Wellness (part time)
- Admin and Operations support

## **Recent Company Milestones:**

*January 2017:* Launch five more CW clients, launch our service on You Decide, a benefit platform that is used by dozens of companies, and begin adding affiliates. Sales exceed plan.

*June – December 2016:* TDD begins a national expansion, from covering eight chains in eight states to covering 36 major chains in 48 states (over 8000 stores) by year end.

*Fall 2015:* TDD offers its services through Corporate Wellness programs at Monster.com, Ocean Spray, Finish Line retail stores, Johnson Memorial Hospital (Indiana), and Staffmark (Ohio).

*July 2015:* TDD Corporate Wellness program launched. Three clients (a national consumer brand, a national engineering firm, and a hospital in the Midwest) have approved using TDD as the nutritional component of their program and will be rolling it out to their entire employee base.

*April 2015:* CEO Laurin Mills featured presenter at the Women Enterprise Institute (Newton, MA) at the Women's Business Forum.

*March 2015:* CEO Laurin Mills featured presenter at Mass Innovation Nights (Boston, MA)

*February 2015:* TDD featured in Positive Mom's Magazine

*November 2014:* TDD selected as a Finalist in the Winter EforAll Accelerator program (Lowell, MA) and an eventual winner in this program (February 2015)

*July 2014:* TDD featured on New England Cable News (NECN) "Money Savings Mondays" weekly segment to highlight how we save local families money on their groceries. We appeared on the show three additional times during the year on segments related to grocery savings.

## ***The Dinner Daily Service Detail:***

Our service is sold to consumers through an online subscription model. Customers select from the following membership options upon sign up:

- Menu Type (six possible options available from Everything to a full vegetarian menu)
- Family Size (Family Plan or Menus for Two)
- Preferred Grocery Store (36 major chains/8000+ stores across 48 states) We also offer a generic meal plan (Any Store)).
- Term: 3, 6 or 12 month terms.

Each week, customers receive the following:

1. One page weeknight dinner menu with 5 easy recipes complete with side dishes, entirely customized to the specials at their grocery store. Subscribers are always given access to menus for all the stores in their region.
2. One page shopping list, customized for each grocery store
3. One page coupon sheet with direct links to online coupons for items used in the weekly menu

Each of these reports are posted to our website, available to Members upon log in, and also sent out via email. Upon sign in to the website, subscribers are directed to the webpage that pertains to their specific membership selections and can then download and print their menu, shopping list, and online coupons. Members can access the unique menu plans for all stores in their region and are not limited to one store. Members also have access to regular bonus features such as Dinner Party plans and Do Ahead Recipe menus.

Our organized shopping list enables customers to breeze through the grocery store quickly and recipes are simple to prepare in 30 minutes or less. Our recipes use healthy whole ingredients and are periodically reviewed by a registered dietitian.

We also perform customized coupon searches each week for items used in our menu plans. Customers are provided these coupons through direct links that pair the product with the recipe in which it appears. On average, we provide \$6 to \$10 in coupons each week to our members.

### **MARKET & COSTUMER ANALYSIS:**

Based on the most recent US Census data, there are currently 50 million working women in the US with 27.4 million households in the US with children under the age of 18.

TDD primarily serves busy working moms who value healthy eating, and saving time and money. The specific customer profile of our target customer is:

- Women, between the ages of 35 and 50
- Works outside the home
- Mother of school aged children
- Views cooking as a necessity, a chore. It's not her passion
- Facebook is social media site of choice
- Reads "*Real Simple*" magazine
- Frequents [www.foodnetwork.com](http://www.foodnetwork.com) for cooking ideas
- Greatly values her time

- Wants to spend her money in a smart way

Although the above profile is our target customer, there are also other customer segments we serve such as:

- Stay at home moms
- Fathers, who are responsible for cooking the family meals
- Working couples and empty nesters (Menus for Two menu option)

## COMPETITIVE ANALYSIS:

Consumers have choices when it comes to how they plan their weekly dinner menus. The different variations of meal planning solutions fall into two broad categories:

### 1. **Free Recipe Sites:** (*Consumer does the Planning*)

There are numerous free sites consumers can put together a weeknight meal plan using the large volume of recipes available. These sites essentially operate as recipe curators and the consumer is responsible for selecting the recipes and side dishes each week. In other words, the consumer does all the planning work under this model. Also, there is no link to store specific sales or staying within a set budget as this is all left to the consumer to plan. Recipes are typically submitted by the general public or are sourced from various food bloggers. Examples of these sites are: Recipes.com, FoodNetwork.com, and Epicurious.com

### 2. **Meal Planning Services:** (*Planning is Done for Consumer*)

Meal planning services, such as TDD, take the burden of planning away from the consumer and provide an already planned out dinner menu. This saves the busy mom from having to spend time online searching for recipes, putting together a shopping list, and in the case of TDD, incorporating key store specials whenever possible as a means to lower food costs.

3. **“Dinner in a box”:** in the past few years, companies have emerged that deliver dinner recipes and pre-measured ingredients to your door in a box, with the two most well-known being Blue Apron and Hello Fresh. However, these services are expensive with meals costing between \$9 and \$13 per person, per meal, and preparation can be more involved. They are positioned more for adults than family friendly meals with children. As a result, the “dinner in a box” model does not provide a sustainable solution for most families that can meet their needs 5 days a week, 52 weeks a year. For example, the average weekly cost of dinner under the Hello Fresh model for a family of 5 calculates to \$287 (\$11.50 average cost per meal per person). This compares to the TDD model where the cost of weekly dinner for a family of 5 is typically approximately \$85 (\$3.40 per meal per person), or 70% less in food costs.

Our service differentiates itself across multiple dimensions:

1. We deliver ready-to-go kid friendly nutritious menus each week, along with the shopping list and manufacturer’s coupons for items on that week’s list.
2. Subscribers select their primary grocery store in their region, menu preferences (six different options) and family size upon signing up. We offer customized subscriptions based on the specials at 36 grocery stores across the country. We also offer a generic menu plan (“Any Store”) that can be used anywhere.
3. We have an intense focus on saving customers’ money. By incorporating grocery store specials into the menus and using simple recipes, we estimate families save up to \$1,000 annually in grocery costs.
4. Unlike the large recipes sites, our customers do not spend time planning. All the planning, all the budgeting, and all the thinking is done by us.



5. We design and test our recipes to be prepared in under 30 minutes.
6. Recipes are periodically reviewed by a Registered Dietitian.

Our core customers are busy working mothers between the ages of 30 and 50. They rarely have time each week to research recipes, pull together an easy menu, make shopping lists, and prepare nutritious meals each night quickly. They often cut corners serving fast food, unhealthy packaged meals, and end up overspending and feeling stressed in the process. We also serve other customer segments such as stay-at-home moms, single dads, working couples, and empty nesters.

Please see Appendix B for our Competitor Analysis Matrix for further information on how TDD compares favorably to our competition.

Planning the menu each week around the local store specials, together with online coupon searches and a focus on healthy eating, are key benefits of our service. It is what sets us apart from other solutions available to the time strapped and budget conscious consumer.

## **MARKETING AND MESSAGING:**

Our branding and messaging strategy is focused on helping busy working moms with the consistent challenges they face around getting dinner on the table, quickly and easily.

The specific pain points of our target customer are:

- Dinner is time consuming: time to plan, time to shop, time to prep, time to cook
- Dinners lack variety: yet without time to plan, dinners are the same week after week
- Overspending on groceries: multiple trips to the grocery store, impulse buys, food waste, and lack of incorporating store specials all leads to overspending
- Dinner time is stressful and too often results in a less than healthy meal

Our customer research indicates our target customers do not have the time or desire to engage in meal planning. Our core messages are about saving these women time by not having to think about what is for dinner, and taking the burden of day to day planning off their plates.

The messaging on our website and our social media channels is focused on solving these pain points. Our key value messages are:

- We make dinners easy.
- We help you save time by doing all the dinner planning
- We will save you money on your food costs by planning your dinners around your store specials
- We will help your family eat healthier by providing recipes with whole healthy ingredients that your kids will eat.

## **GO TO MARKET STRATEGY:**

We promote The Dinner Daily through the following methods:

- **Targeted, Data-Driven Online Marketing**

We are utilizing many of the latest online marketing techniques and leveraging the reach and insight of social media to identify and convert our target audience into subscribers. Some of the techniques we are using include:

- Fine grained ad campaigns that allow us to identify which messaging and demographic and geo - targeting drives higher response
- Customized landing pages which we can measure and do A/B testing

- Re-marketing methods to connect to people who have shown an initial interest in our offering but have not yet signed up
- Expanded use of video to leverage the personalized brand we are creating.

- **Promotion through the corporate wellness market**

By reaching employees through their workplace and employee discount programs, we are able to reach working professionals efficiently and in large volume. Since we began promoting our service to the Corporate Wellness market, we have added 23 clients and it currently comprises approximately 35% of our membership. We plan to aggressively pursue this channel.

- **Affiliate Marketing:**

In early January 2017, we began to launch our affiliate program through the ShareASale affiliate marketing network, allowing TDD to be easily promoted through the Mommy blog network, consumer oriented sites.

In the next twelve months, we also plan to:

- **Form strategic partnerships with grocery delivery companies and supermarkets**

We plan to develop partnerships with supermarkets and grocery delivery companies to provide an end to end service offering to busy consumer, for a fraction of the cost of the services currently available in the market. We believe this will not only provide a powerful and compelling offering to the consumer, but open up powerful joint marketing opportunities within the supermarket industry.

- **Creating Community**

We strive to create a strong sense of community by creating a “wow” customer experience. We communicate with our customers through our weekly emails and blog posts, which are scheduled in advance to cover topics of interest to busy mothers. We solicit and listen intently to what our customers want through ongoing feedback and surveys. We use this information to continually improve our service through new features and greater levels of customization. We plan on adding engaging activities, e.g., solicit our customers for menu or meal prep ideas, to further strengthen the Dinner Daily community.

- **Develop Full User Customization and Health Specific Plans:**

We plan to further enhance our technology to allow users to specify their specific food likes and dislikes and any individual health needs, such as a diabetic or heart disease friendly menu. This will allow us to further differentiate our service in the Corporate wellness and healthy insurance market.

## **OPERATIONS:**

The key business processes are:

- **Weekly Menu Production:** Weekly menus are produced using our proprietary backend system and algorithm. This system allows us to produce menus for all menu types and based on the main specials at the grocery stores mentioned previously. Menus are delivered online via an interactive HTML format which allows users to customize their weekly plans by changing or deleting anything on their menu. The nutritional information and shopping list are automatically updated to reflect any changes made by the user.
- **Recipe Development:** New recipes are developed and entered into our database for use in our weekly menus. Recipe types and style are determined based on customer requests and feedback. All recipes are also entered into our nutritional value calculator and undergo periodic review by a registered dietitian.
- **Member Management:** on a daily basis we respond to member inquiries, processing membership changes, cancels, and general questions from our customers.

## **MANAGEMENT TEAM:**

The current management team of the company is:

### **Laurin Mills, Founder and CEO**

Laurin is responsible for making all strategic decisions of the company, overseeing recipe development, financial management, and sales and marketing.

Laurin is a former CPA having worked for Ernst & Young for 11 years in Boston and Sydney. She also has an MBA and MS in Accounting from Northeastern University and a BA in Economics from the University of New Hampshire. Prior to attending graduate school, Laurin worked in commercial banking for 5 years with a focus in real estate lending.

### **Randy Corke, Marketing and Operations**

Randy joined the company in October 2015 and is responsible for marketing strategy and implementation, and oversees the menu production process.

Randy has been a management team member for numerous successful startups, primarily in CMO, Business Development and Product Management functions. He has a MBA from Cornell and a BA from Middlebury College.

### **Sally Harris, Product Management and Infrastructure**

Sally joined the company in October 2015 and is overseeing the IT Infrastructure and development of new capabilities. Sally has an impressive list of career accomplishments at Apple and IBM and earned an MBA from Harvard University.

### **Lisa Dougherty, Corporate Wellness Sales**


Lisa joined TDD in the spring of 2016 to focus on expanding our presence in the Corporate Wellness space. Lisa spent the majority of her career at Cardinal Health in a variety of customer facing sales and business development roles. Lisa earned her bachelor's degree in business administration from Westfield State University.

## APPENDIX A: 3 YEAR FORECAST

		2017	2018	2019
<b>Subscribers at year end</b>		<b>7134</b>	<b>34809</b>	<b>136980</b>
Revenue from Retail		104,877	715,970	3,251,221
Revenue from Corporates		<u>200,196</u>	<u>781,076</u>	<u>2,898,732</u>
<b>Total Revenue</b>		<b>305,073</b>	<b>1,497,046</b>	<b>6,149,954</b>
Salaries plus Benefits		75,314	1,586,983	3,263,666
Operating Expenses		339,638	761,674	2,422,163
<b>Total Expenses</b>		<b>414,952</b>	<b>2,348,657</b>	<b>5,685,828</b>
<b>EBIDT</b>		<b>\$ (109,879)</b>	<b>\$ (851,611)</b>	<b>\$ 464,125</b>

## APPENDIX B- COMPETITIVE LANDSCAPE

### OPPORTUNITY & COMPETITIVE LANDSCAPE

KEY FEATURES		Six O'clock Scramble	The Fresh Twenty	Emeals
Menus Customized to Store Sales	YES 46 Chains/10,500 stores nationwide	NO	NO	Very Limited 5 Stores in South
Flexibility to Edit Menu/Swap Meals	EASY	MODERATE	NONE	VERY LIMITED
Time to Customize Menu	1 to 3 mins	10 to 20 mins	Not allowed	10+ minutes
Tangible Savings on Menus	Yes- 20 to 25% each week	NONE	NONE	VERY LIMITED
Menus Created by Extensive Rules based Algorithm	Yes	Highly Doubtful	Highly Doubtful	Highly Doubtful
Weekly Customized Coupon Search	Yes	NO	NO	NO
Length of Menu & Shopping list	3 pages	11 pages	9 pages	5 pages
Annual Cost of Membership	\$48	\$100	\$74	\$60
Why We Will Win	Algorithm-based system gives us multiple advantages today and platform for future innovation	Time intensive to customize, quality of menus, no link to store sales	Inflexible, no link to store sales	Confusing meal plan choices, very limited link to store sales, minimal flexibility