



Business Plan Submitted to  
U.S. Small Business Administration 2016 InnovateHER  
Innovating for Women Challenge

By  
Iris Sherman, MBA  
Co-founder/President, Kitchology Inc

# Company Overview

- Kitchology Inc.
- Delaware Corporation (Incorporated April 26, 2013) doing business from Maryland from 20271 Goldenrod Lane, Suite 2020, Germantown MD 20876 (EIN 46-3966973)
- Principals:
  - Alain Briançon, PhD, Co-Founder/CEO [alain.briancon@kitchology.com](mailto:alain.briancon@kitchology.com) 301-728-5512
  - Iris Sherman, MBA, Co-Founder/President [iris.sherman@kitchology.com](mailto:iris.sherman@kitchology.com) 301-366-1901
- Web Site: //www.kitchology.com and //blog.kitchology.com
- Kitchology is a mobile platform about overcoming food allergies/intolerance and special diets through the power of technology and community.

# Executive Summary

- Kitchology is a mobile platform about overcoming food allergies/intolerance and special diets through the power of technology and community. Think Waze/Wikipedia for special diets.
- Our target market are the 83 million Americans dealing with food allergies and intolerances. They spend \$251B on groceries, including \$8B online, slated to grow to \$20B by 2019. 160 million individuals dealing with special diets, they are a second phase of our market.
- For this market, food is wellness. Yet, cooks don't have the tools, information or support they need to manage special diets efficiently. Kitchology software platform matches food to cooks' profiles and whom they are cooking for. Using machine learning, we enable meal planning based on ingredients typically at hand, personalized ingredients substitutions, purchasing through personalized shopping lists, enabling step-by-step cooking and cook-to-cooks' connections. We use these activities to acquire and retain more users.
- We are getting 250,000 monthly Active Users in Q3 2015. We have federated an ecosystem of 300 food allergy bloggers with readership between 250,000 and 500,000 readers. We generate 500,000 social impressions per month. Our app is on the Apple app store.
- \$700,000 have been invested in the business, through loan from co-founders, TECDO, Shore Hatchery grant and angel investors. Kitchology is raising seed round through a capped convertible note.
- We make money three ways: Consumers buy products directly from the platform and subscribe to tailored kits. We provide brands and retailers with innovative and efficient way to promote their products to consumers and provide them detailed product and user analytics. We are positive cash flow by 2017. Profitability is achieved with food allergy market alone. We will strive to expand the market beyond that segment creating a major upside and larger exit.

	2015	2016	2017	2018	2019
e-commerce	9	189	1,954	6,879	18,948
Brand Promotion	9	68	1,161	4,360	9,576
Analytics		150	1,344	3,565	11,430
Revenues	19	407	4,367	14,804	39,854
EBIT	(275)	(356)	(379)	92	3,361
					22,394

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# Leadership

## Iris S. Sherman, MBA (President and Director)

Iris has more than 25 years of entrepreneurial experience in pharmaceutical, nutraceuticals, immunology and food businesses. Iris is a cofounder of Kitchology aShe is a strong leader bringing her with expertise in science to foster business development. She sits on the board of Northeastern University College of Professional Studies, which is includes a Master's program on Regulatory Affairs for the Food Industry. She is an elected board member of the Institute of Food Technologist DC chapter. Her past experience includes Solco Basle AG, Phylogix, QPhos, NatCure, Quantum Technologies Group, Sepracor and HemaSure enterprises. She received her MTASCP and MBA from Northeastern University.

## Alain C. Brianon, Ph.D. (CEO and Director)

Dr. Brianon is an entrepreneur and innovator with 25 plus years of expertise in the mobile device and application industries. Alain is a cofounder of Kitchology. This is the third startup he is involved in. Most recently, Alain was CEO of Horizon Analog, a developer of broadband signal processing and classification techniques. Previously, Alain was CTO of NTERA, a material science startup developing printed electronics displays. He has served as the CTO of InterDigital. Prior to InterDigital, he served as a Vice President at Motorola and in executive and technology roles at Pagenet, BellSouth and GTE Spacenet. He has served on the Board of AMPLEX. Alain holds a Ph.D. in electrical engineering from the Massachusetts Institute of Technology. He has over 220 patents and patent applications worldwide.

## Dr. Barbara Boyce, D.H.Sc, RD (Lead Nutrition)

Barbara joined the Kitchology team to share her nutritional expertise with a company and team that is passionate about important food issues. Her focus with Kitchology is ingredient substitution; she provides solutions that are both safe and flavorful, mirroring traditional dietitian practices. Throughout her career she has been a media spokesperson, cookbook author, and head of her own nutrition marketing consulting company. She currently serves as past chairman of the board of Healthy Foods for Healthy Kids, a nonprofit that designs and implements school vegetable gardening programs. She obtained her doctorate in health science from Nova Southeastern University, her master's in nutrition communication from Boston University, and her bachelor's degree in food and nutrition from San Diego State University.

## Jenny Sprague (Lead Community Development)

Blogging guru and social media community manager extraordinaire Jenny Sprague hopped onboard with Kitchology to help promote a cause she really believes in: a new tool for the large number of people dealing with dietary restrictions. It is a topic she has spoken about many times, including at the BlogHer Conference. Additionally, she founded and runs the Food Allergy Bloggers Conference. She has a Bachelor degree from the University of Southern Maine as well as an Associate degree from New Hampshire Technical Institute.

## Bill Livingston (Chief Technology Officer)

Bill brings thirty years of technology innovation to this assignment as Chief Technology Officer with Kitchology. His background includes the application of leading-edge speech technology to real-world consumer applications and has served as founder and lead technology strategist for several early-stage companies. Bill, a graduate of UVA in electrical engineering (BSEE), and from George Washington University with a masters in computer science (MSCS), has a remarkable track record of innovation in design, implementation, and management of growing business platforms.

# Impact of Food Allergies on Women and Families

- According to FARE, there are at least 15 million Americans dealing with food allergies. Of this number, 60% (9 million) are adults and 40% (6 million) are children up to 18 years old. 1 in every 13 children has at least one food allergy, or 4 to 6 percent of all American children. That means that in a classroom of 26 kids, 2 of them have a food allergy. The rate of food allergies is growing (According to the CDC, children with food allergies increased 50% in a 14-year time frame, from 1997 to 2011). According to the American Medical Association, one American in three believes they or their children have a food intolerance. Taken together, 83 million Americans are affected by food intolerance and food allergy.
- Food allergies affect the whole family, whether it is avoiding certain foods altogether, buying special foods, using separate pots, pans, and utensils for cooking and eating, being unable to eat out at certain restaurants, or rushing a child to the emergency room (300,000 every year, one every 2 minutes). All these factors can disrupt a family. These families are also stressed the 85,000 anaphylactic reactions or the 200 deaths caused each year by food allergies.
- Dealing with food allergies and intolerances can take a large toll on the family budget. According to a CNN report, families with food allergies spend \$25 billion per year, or about \$4,184 on each child per year. This includes the cost of special foods, medical visits, medicines, special childcare arrangements, and allergy-friendly summer camps or schools. Sometimes, one parent will give up a job or work part-time and choose to be home more with their kids. While there are conflicting estimates of the cost of food allergies, there is no doubt that it has an economic impact on families.
- Food allergies can also impact a child and family's social and emotional well-being. A study in the journal *Pediatrics* looked at the impact of food allergies on daily activities of 87 food-allergic children and their families. They reported that food allergies significantly affect meal preparation in a majority of families and it also affects family social activities. 41% percent of caregivers reported significant stress levels secondary to their child's food allergy. 34% reported that food allergies had a significant impact on school attendance.
- Is there a sex disparity in food allergies? Researchers conducted a systematic search of the medical literature (PUB MED) to look at the reporting of food allergies among males and females to 11 major allergenic food types in published studies. They found that among children with food allergies, 64% were males and 36% were females. Among adults, the reverse was true with 35% males and 65% females.
- Sources:
  - FARE website: <http://www.foodallergy.org/document.doc?id=194>,
  - Journal American Medical Association (JAMA, 2010)
  - <http://www.cnn.com/2013/09/17/health/food-allergies-cost-time/>,  
[http://pediatrics.aappublications.org/content/120/Supplement\\_3/S118.2](http://pediatrics.aappublications.org/content/120/Supplement_3/S118.2),  
<http://www.hindawi.com/journals/ja/2009/159845/>

# The Market

- Our market are the 83 million Americans with food allergies/intolerances. They spend \$251B on groceries, \$8B online growing to \$30B in 2019. These families are stressed by the 300,000 emergency ER visits, the 85,000 anaphylactic reactions, the 200 deaths caused each year by food allergies. They spend \$25B on medical bills.
- Market segmentation for the food allergy/intolerance market has been performed based on primary interviews, analysis of our blog traffic (2.5 years) and integration of demographic/psychometric information of the wellness panels from IRI International

Home Rangers	People Pleasers	Active Socials	Good Soldiers
			
Managing family meal planning, nutrition, allergy management. Juggles household responsibilities and work. Will engage other members of the household in planning, shopping.	Managing household with older children. Less time-constrained and more focused on creativity and reaching dietary goals.	Enjoying lifestyle which includes preparing meals with friends, eating out and bringing home prepared meals. They casually avoid some ingredients like gluten and dairy. Love to share results.	For health reasons, they need to better plan and prepare or purchase meals. Losing weight and small portions are challenging. They look for savings. Learning about smartphones.
Female	Female	Male/Female	Male/Female
30 Million	23 Million	12.1 Million	12.9 Million

- The market expands to the 160 million with special diets (79 million are pre-diabetic, 47 million are trying to lose weight, 23 million are vegetarians, 26 million diabetics).

Sources: Food Allergy Research and Education (FARE, 2015), Journal American Medical Association (JAMA, 2010), Packaged Facts (2014), IRI International

# Customer Problem, our Solution, Our Technology

## PROBLEM:

When food is wellness, cooks don't have the right tools, information or support.

- Restricted or unsavory food choices
- Complex meal planning and buying
- Access to trusted information

## SOLUTION:

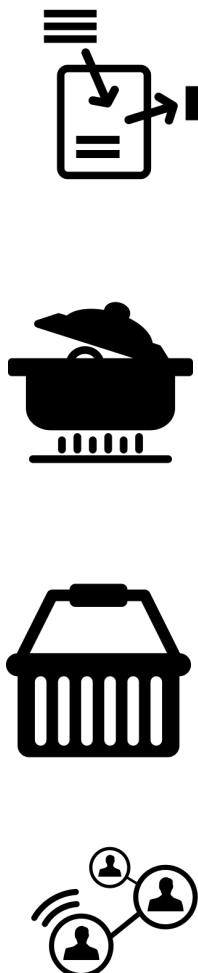
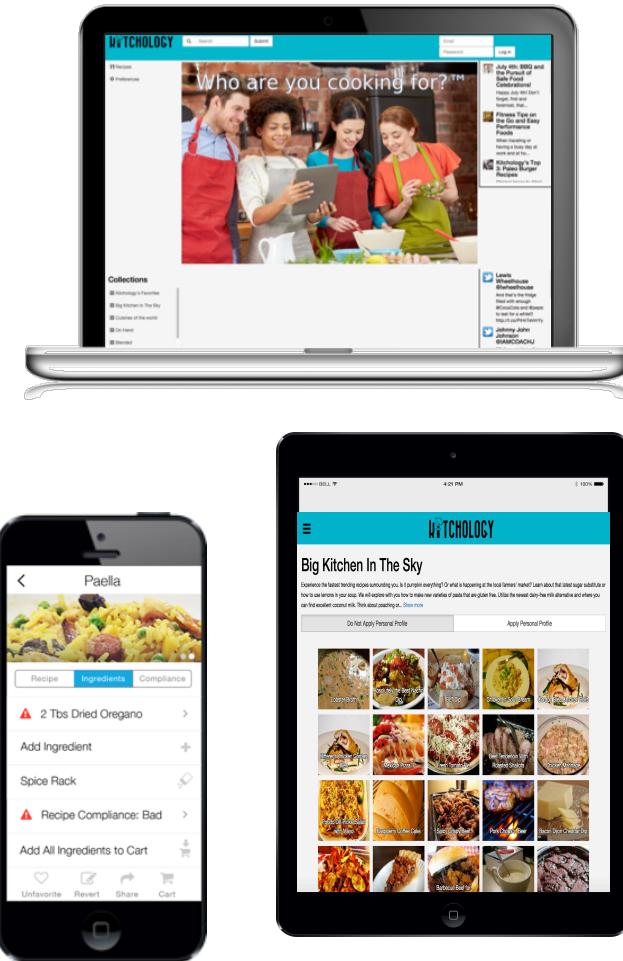
Kitchology matches food to consumers' profiles and the people they are cooking for (for those who cook). It is the only integrated platform for food planning, purchasing, cooking and sharing designed from the ground up to deal with special diets (not an after the fact filter). Kitchology will be the top platform for every brand that wants to connect with consumers managing special diets.

## TECHNOLOGY:

Machine learning applied to nutrition science, profiling and social curation

# Kitchology integrates planning, purchasing, cooking, and sharing.

The platform can be accessed through PC, tablets, smartphones. It is complemented by a blog and the usual social networks.



## Planning

- Find recipes in recipe channels
- Recipes modified to profile

## Cooking

- Step-by-step cooking
- Capturing insight

## Purchasing

- Integrated shopping list
- Kitchology marketplace

## Sharing

- Blog(s)
- Facebook, Twitter, YouTube, etc..

# Kitchology's Kitchen Science®

480,000 substitution rules

no gluten, go vegan =

cut sugar, save time



80,000 culinary rules

fit your taste

make sweeter

make it "Swedish"



## Matching foods to your profile



ingredient likes & dislikes  
cuisines likes & dislikes

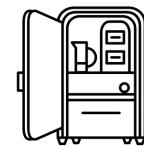


diets & goals  
allergies



influencers  
influencees

cooking patterns



shopping patterns



inventory patterns

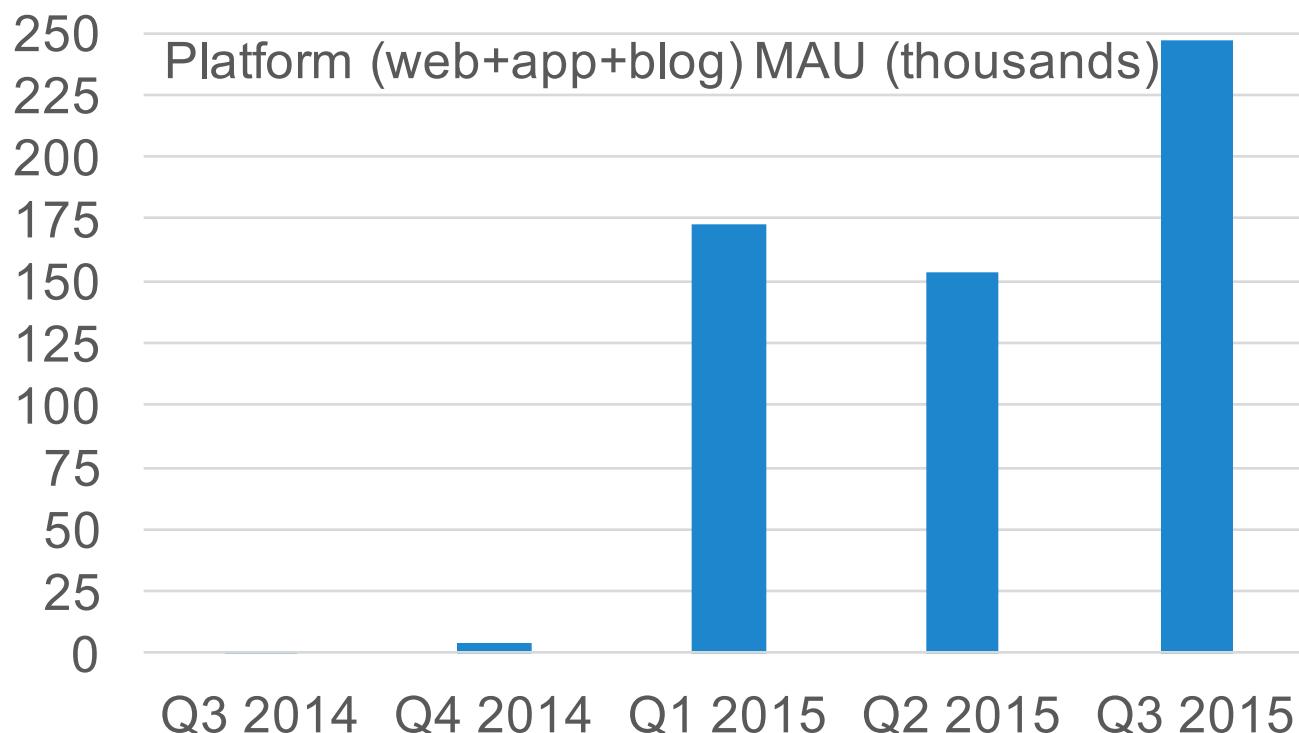
ingredients on hand

Extensive Machine Learning. 6 patent applications.

# Another barrier to entry is our presence in the community.

We are embedded in the food allergy as illustrated by the activities on our platform and the fact we have federated the top 300 food allergy bloggers in the US with a global readership estimated between 250,000 and 500,000.

These bloggers bring recipes to our mobile app. By linking their blog to our platform, we will run a CPI (per install) which should have an average cost of acquisition of customer to less than \$0.50 compared to the typical \$3.50.



500,000 monthly social impressions (Twitter, Facebook, google+, Tumblr, etc..)

We have purposefully using a twitter account associated with Iris Sherman (who is the face of the company @kitchenchick) in contrast with @kitchology (the corporate view)

# Current crop of apps are not designed for special diets lifestyle

- Our direct competition are single function apps that are not suited for the special diet lifestyle.
- Our indirect competition are either support organizations (non profit whose mandate prevent them from offering the services we do and are thus a complementary offer to us) or delivery services (that, for most of them, through API integration) can be appended to our offerings.



Instacart



**KITCHOLOGY**

	Support sites/groups	Food delivery	Coupons/analytcs	Recipe/food/discovery
Ingredient/product substitutions	✓ YES	✗ NO	✗ NO	✗ NO
Insight about consumers' usage decisions	✓ YES	✗ NO	✗ NO	Only at stores
Insight supporting product development	✓ YES	✗ NO	✗ NO	✗ NO
Advocacy/evangelism features	✓ YES	✓ YES	✗ NO	✗ NO
Product fulfillment	✓ YES	✗ NO	✓ YES	✗ NO
				Some

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**KITCHOLOGY**

# Go to Market

Our go to market strategy relies on locking key influencers to the community, namely food bloggers, then "free-from" specialty brands and selected retailers. We expand to all brands once we reach critical mass of eye balls.

2013                    2014                    2015                    2016                    2017                    2018

Leverage bloggers & support organizations readerships/mailing lists to acquire consumers

Launch & expand marketplace  
Morph bloggers into curators  
Establish focused panels/test for analytics

Integrates brand & retailer apps  
Expand analytics and promotion



# Projections (1000s)

	2015	2016	2017	2018	2019
Ecommerce	9	189	1,954	6,879	18,948
Promotion	9	68	1,161	4,360	9,576
Analytics		150	1,344	3,565	11,430
REVENUES	19	407	4,367	14,804	39,854
EBIT	(275)	(356)	(379)	92	3,361
Users	5,000	80,000	411,000	1,728,000	6,177,000

## Revenue drivers

- First, bloggers integrated in platform
- Then, downloads and stickiness management

Adoption beyond food allergy to special diets drive Kitchology's economics dramatically higher

# Revenues

Kitchology have three sources of revenues: Ecommerce, promotion/advertising and analytics. We have been validating key assumptions with leading customers.

CATEGORY	CONSUMER ACTIVITIES	BASELINE REVENUE
Ecommerce	<ul style="list-style-type: none"> <li>Specialty food products</li> <li>Cooking ware and disposables</li> <li>Subscription kits</li> </ul>	5-12% commission on products and subscriptions
Promotion	Post	\$650
	Branded recipe channels	\$100-\$10,000/month
	Advertisials during cooking/ingredient search	\$5-\$10 CPM
	Products inserted in recipe modifications	\$0.5-\$1.00 CPC, \$5 to \$10 CPM
	Recommendations within app	\$5 to \$10 CPM
	Advertising on blog/marketplace	\$250-\$550/month
	Advertising on blog + social push	\$250-\$3000/month
Analytics	Access to profile and preference	\$0.10 to \$1.25/record
	Consumer analytics	\$0.0075- \$0.05/record
	Product analytics focus group/report	\$50,000-\$100,000

Key: Validated by at least one customer/partner

Target Engagement		
COM.	PRO.	ANA.
	X	
X	X	
X		
	X	X
		X
	X	
X		

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# Exits



Comps:	Pervasive -> Actian	\$160M	(2013)
	Cellfire -> Catalina Marketing	\$100M	(2014)
	Eat24 -> Yelp	\$134M	(2015)
	Zagat -> Google	\$125M	(2011)
Multiples:	4-10 x Revenues	\$160-400M	
	10-20 x EBIT	\$250M-500M	(2019)?