**SMART 4.0 Online Pitch Competition**

**Business Plan**

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For

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**Executive Summary**

Edtech has become essential during the pandemic; its market size has risen to 40 billion $ worldwide. There has also been a surge of misinformation and fake reviews on the courses offered online.

FakerHater is a Software as a Service company that helps people make informed decisions about their online learnings. Unorganised online tutors lack verification and credibility about their offerings, whereas e-learning platforms are prone to paid and censored reviews.

We offer a platform where the users of these courses can post reviews about both the unorganised courses and courses offered on various platforms. We charge a token amount from the course providers for listing on our platform.

FakerHater operates in a largely untapped market where we address the trust issues of the users. With this model’s direct sales and ad-placing capability, we are targeting to reach 8000 placed courses on our website by 2026 and generate profits of around 1 million USD cumulatively.

**Chapter 1: Introduction**

**1.1 The Opportunity**

Food waste is an escalating global problem that has significant impacts on climate change throughout the product life cycle. The Food and Agriculture Organisation (FAO) of the United Nations provided the following definition of food waste in 1981, “some wholesome edible material intended for human consumption, arising at any point in the food supply chain that is instead discarded, lost, degraded or consumed by pests”. According to the FAO, nearly one-third of all food produced in the world is discarded or wasted for various reasons (<https://www.fao.org/home/en/>). That equates to nearly 1.3 billion tons every year. Since the 1980s, Earth has lost a third of arable land to soil degradation, erosion, and pollution, drastically reducing our ability to grow food. Considering the human population is set to increase by more than 35% in the next 30 years, and humanity will need to double global food production by 2050 (<https://www.fao.org/fileadmin/templates/wsfs/docs/Issues_papers/HLEF2050_Global_Agriculture.pdf>), there is a desperate need to find solutions to reduce, reuse and redistribute food waste.

Discarding food wastes money and produces methane gas in landfills, which is a greenhouse gas that contributes to climate change. Additionally, large quantities of water are wasted from discarding food. According to the World Resources Institute, 24% of all water used for agriculture is lost through food waste every year, which equates to 170 trillion litres

**1.2 Potential Risks**

Currently, few course/service websites host their own review pages. To gain traction, it requires substantial efforts to earn the trust and reputation among the users of such courses/services as a go-to platform before any purchase. Also, it will require considerable time to cover various sectors such as fitness, education, cosmetics, etc.

**1.3 Solution**

The team identified the potential for introducing emerging technology in the developing world to tackle food waste management; therefore, a solution was developed to facilitate service to enhance current processes in dining halls. This service integrates seamlessly into current processes, provides customers with business intelligence tools, and contributes to a circular bioeconomy.

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**Chapter 2: Business Description**

**2.1 About The Company**

The FakerHater targets this niche market of online learning platforms users to help them navigate through chaotic information with an organized, reliable review website. The website is a new entrant to the industry, it addresses the needs of the online learning platforms users market, which otherwise is seldom met as there are few firms currently that cater to this segment.

FakerHater has four value propositions in its business. They are:

Transparency – *Clear guide on how we handle the reviews.*

Diversity – *Features a wide range of online courses and services for users to choose.* Platform – *Platform where users can browse through others’ reviews or leave one.*

**2.2 Offering Strategy**

FakerHater provides accurate and reliable reviews for website users. It is a review site where users will submit reviews on individual providers' services and courses. The review site will gather feedback on online classes such as personal development courses, foundational learning programs and coaching classes.

We can expand the services included in our review website as the company grows in its business. Apart from reviews, FakerHater provides assistance for online courses providers to pay for enhanced listings. Our website will feature the courses providers to promote their business and have a better approach to their potential customers.

FakerHater operates on an asset-light model by enabling analytics and processing only with tangible opportunities identified.

This service will have a competitive advantage over other review websites in terms of:

Freedom - *To allow the users to have the freedom to review and comment on the services.* Authentic - *To provide zero fake, inauthentic and selective reviews for users.* Integrity - *To ensure the integrity and fairness of every review - free from any inappropriate influences or reasons.*

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**2.3 The Goals**

Faker Hater has the following goals:

1. To scale up its business by extending its reach to other sectors of online services. 2. To broaden its user portfolio by reaching out to users from various geographical locations.

3. To expand its market by adding new features to the website and making it more user-friendly.

4. To establish its rapport as a trustworthy and secure platform.

**2.4 The Team**

Our leadership team is collectively exhaustive in terms of expertise and skill required for the field. It comprises Sadiq Nafees Abbas, Mansi Rai, Vidhi Patidar, Yi-Ching Hsiao, and Lim Zhi Yu.

|  | **Sadiq Nafees Abbas** is the leader of Team FakerHater. He led the discussion of our meetings and set the main direction of our startup. He is also the one who proposes the idea of FakerHater’s review website. Through his excellent leadership skills, our team cooperates well and comes up with an ideal business plan. |
| --- | --- |
|  | **Mansi Rai** is an outstanding member with excellent communication. Her commitment to this startup ensures that the team effectively completes all tasks, duties, and projects. Her critical thinking skills also assist us in identifying the problems and solutions of fake reviews.  **Vidhi Patidar** is an excellent member with a positive attitude and active listening qualities. She is studying at the top leading technical institute of India. Her passion and dedication to the startup's goals drive her to relentlessly improve the technical components and seek resources for our business idea. |

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|  | **Yi-Ching Hsiao** is a great team member that is dependable and responsible. She has the ability to compromise, show respect to others and listen to the needs of her teammates. Her great analysing skills help us identify our competitive advantage and keep our business in a superior position. |
| --- | --- |

**Lim Zhi Yu** is a member who shows a genuine commitment to 

this startup project. Her readiness to assist a team member in need

contributes to the seamless operation of the entire startup

initiative. Her innovative ideas help us to come up with a

well-thought marketing plan

**Chapter 3: Marketing Analysis & Strategy**

**3.1 Industry Overview**

The Food Waste Footprint: Impacts on Natural Resources, released on 2013 by FAO and UNEP, provides the analysis of global food waste from an environmental perspective. According to the report, the world's annual production of food that is not eaten uses three times as much water as the Volga River's annual flow, and the production of this food emits 3.3 billion tons of greenhouse gases. The report also noted that grain waste in Asia is a prominent problem, which can significantly impact carbon emissions, water and land use. In addition, rice production is particularly notable for its high methane emissions and significant waste(<https://www.fao.org/3/i3347e/i3347e.pdf>). Because of this, tackling food waste is a growing global problem while giving food waste management products a broad and big market to explore, especially in Asia. Another report from Grand View research, global food waste management accounted for USD 39,547 Million in 2021 and is estimated to achieve a market size of USD 64,025 Million by 2030 growing at a CAGR of 5.7% from 2022 to 2030 ( <https://www.grandviewresearch.com/industry-analysis/food-waste-management-market>). Meanwhile, wasted globally with 53% of food waste coming from Asia, which means more than half of food management's market share is in Asia.

**3.2Market size**

**3.2.1Total available market:** We used statistical macrodata to calculate the market size of mess management in this section. According to a report conducted by World Wildlife Fund, the United States discards more food than any other country in the world: nearly 40 million tons — 80 billion pounds — every year and estimated U.S. school food waste totals 530,000 tons per year (<https://www.worldwildlife.org/stories/food-waste-warriors>). The food waste on campus accounts for 1.3% of all food waste based on the preliminary calculations. Therefore, we apply this proportion to the global food waste management market size and finally get our global total available market of 514.1 million in 2021. At the same time, according to the global food waste management forecast, this figure will maintain a CAGR of 5.7% annually from 2022 to 2030, reaching a total available market of 8,323 million in 2030.

We quoted data from the world bank and the UIS data for our service sphere, the number of students receiving K12 education in the world was 1.29 billion (<https://www.worldbank.org/en/results/2014/04/28/world-bank-support-to-education-a-systems-approach-to-achieve-learning-for-all>), and another survey by UIS showed that there were 220 million tertiary education students in the world (<http://uis.unesco.org/en/uis-student-flow>). From a macro perspective, we can at least provide the service to 1.51billion students.

**3.2.2Serviceable available market:** As we mentioned on the section of product,we aim to solve the food waste problems in developing countries. We target some developing countries in Asia at the beginning due to dietary habits and cultural reasons, the following countries will be our target markets within five years : Malaysia, Indonesia, Thailand, India, China, Vietnam, Philippines.

According to the survey, the annual food waste in these regions is 343 million tonnes, accounting for 37% of the global food waste (https://blogs.adb.org/blog/repurposing-food-waste-circular-economy-approach-food-system). Therefore, the market size of food management in these regions can be initially calculated as 14,632 million in 2022, and the market size of mess management for dinning halls will be 190 million in 2022.

**3.2.3Serviceable obtainable market:** We plan to launch our products in Malaysia, Indonesia, Thailand, Philippines, and Vietnam in the first and second years and China and India in the third and fourth years. The percentage of food waste of Malaysia, Indonesia, Thailand, the Philippines, and Vietnam accounts for about 23% of the total. As an estimate that we can obtain a 1% share of the regional serviceable available market, so we expect the total market size for the first and second years to be 874,000$. In the third and fourth years, with the expansion of India and China market, our market size can reach 5.06 million.

**3.3 Segmentation, Targeting and Positioning**

Currently, there are many competitors in the field of food waste management, but they usually cooperate with private enterprises to apply food waste management in different industries. In contrast, We consider that dinning halls in campuses can better apply our AI technology to the problem of food waste, and the feature of these places is that they have a stable and large number of consumers, which can make our products being utilized broadly.

In addition, we found that many companies in the market place their main market in developed countries and most of the competitors focus on solving the Western food waste problem. However, most of the countries with massive food waste are in Asia. On the one hand, due to the food culture, the amount of condiments and side dishes in the food is much larger than that of Western food, causing some unnecessary waste. On the other hand, the huge population and imperfect food infrastructure has made the food waste problem even worse.

Based on the above reasons, our products will focus on the food waste problem of dinning halls in developing countries of Asia and provide them with corresponding food waste management services.

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**3.4 Competition**

**Competitor analysis**

| **Companies\Pros and cons** | **Strengths** | **Weakness** | **Genres** |
| --- | --- | --- | --- |
| **Winnow** | 1. Complete food waste solution 2. Providing accurate data to customers by using emerging technologies, such as AI | 1. Extreme reliance on companies cooperation 2. Low market coverage | **Direct competitor** |
| **Phood** | Data entry of food through AI at the supply-side stage， the data is more precise | Manual sorting of food is required, which is time-consuming and high labor cost | **Direct competitor** |
| **Lumitics** | Using emerging technology to increase food recycling and reutilization, such as 3D printing | Low yield and high cost for food waste | **Direct competitor** |
| **TABETE** | **Use push to increase user purchases of expiring products to reduce food waste** | **Product features are not attractive, and the number of users is small** | **Indirect competitor** |
| [**TotalCtrl**](https://totalctrl.com/) | **Provide users with the most accurate food consumption data through the app, thereby reducing the user's personal food waste** | **Users need to manually enter food information, which is difficult to operate due to the high threshold for use** | **Indirect competitor** |

**3.5 Market strategy**

**3.5.1Product**

There is currently no company on the market that focuses on providing food waste management services based on dinning halls in schools, and we will be the only one. We provide a complete solution for this special Niche. We not only provide sustainable food waste solutions for school canteens , but also allow canteen staff to more accurately understand students' needs through data, to help food and menu iterations and provide data support. In addition, we will emphasize social value and product suitability in the process of cooperation. "Professional mess management service" “Significantly reduce the problem of food waste on campus” can be used as a propaganda point in our subsequent marketing activities, thereby lowering the threshold of consumers' understanding of our products and increasing their trust in the brand.

**3.5.2Price**

In order to better develop the market initially, we will give preferential prices to the first batch of consumers who use this product. And launched a bundled preferential price for long-term cooperation, consumers who signed a two-year service will receive the lowest discount. At the same time, to better reflect our price advantage, we need to emphasize the product rate of return in external marketing, that is, the cost savings is several times higher than the product price.

**3.5.3Place**

Our sales channels are divided into online and offline:

For online channels, we will start with social media such as linkedin, then through the channels of email and official website for customized selling . The construction of the company's website is very important, we need a website that can display product functions and product advantages. On this website, consumers can browse products, companies, prices and other related content, and at the same time, they can contact us through this channel for the first time. Compared to phone calls, using email to introduce product features to consumers will not appear to be interrupted busy days. It also allows consumers enough time to browse product information and determine their own needs. In terms of social media, we will prefer to use Linkedin to maintain our relationship with consumers, and push product information at a fixed point in the form of a small number of advertisements, so as to improve the conversion rate of products and brand awareness.

For offline, we will provide consumers with food waste management consulting and product content services in the food waste conferences. The form of conferences will be combined with government department summits on food waste or forums related to educational institutions, so as to reach our consumers more precisely for our brand.

**3.5.4Promotion**

As we explained in the segmentation section, our consumers are mainly schools, so our channel will be promoted around school staff. We list the following channels: social media, email, offline presentations.

We hope to use social media channels to increase brand influence and selling volume. LinkedIn will be our main channel, and we will use advertising, influencer marketing and corresponding campaigns to attract target customers and enhance potential users' perception of brands and products.

Email marketing is more accurate and low-cost than social media. We hope to contact relevant technical staff in schools through newsletters and pushy emails. Compared with private enterprises, schools, as educational positions, will have a more positive attitude towards sustainability and food waste. Therefore, we will emphasize the effectiveness of our products to solve food waste in the process of email marketing.

Compared with the other two methods, offline promotion will be more direct and efficient, and we hope to attract consumers through product demonstrations. In order to reach consumers more accurately, we will cooperate with relevant government departments or nonprofit organizations in the future, so that we can have continuous and stable exposure and display opportunities.

**3.6 Marketing SWOT analysis**

| **SWOT** | **Content** |
| --- | --- |
| **Strengths** | 1. Commercial food waste management services  2. Wide customer base  3. Control food waste issues accurately  4. Visualized data and intelligent system |
| **Weakness** | 1. High equipment costs  2. Rely on campus or governmental cooperation for sellings |
| **Opportunities** | 1. Less strong competitors in Asia  2. There is currently a lack of food waste management products for Asian food in the market， we can be the first one  3. Mix of Emerging technologies to the mess management, which provides a chance to us to cooperate with corresponding emerging technology companies for marketing and sellings |
| **Threats** | 1. Over-reliance on campus and governmental cooperation  2. Funding sources are not stable enough |

**Chapter 4: Operating Plan**

**4.1 Quality Targets**

The quality targets that our SMART Mess Management system has are as follows:

* Minimize the food wastage in the hostel mess
* Enabling students to skip meals and get a rebate(*Leave the meal* feature to let students leave the meal they are not interested in, or cannot attend, which will then be notified to the mess manager before the meal is cooked.)
* Smart Bins installed in mess for intelligent waste management
* A self-contained system for feedback and suggestions
* A dashboard for mess managers and concerned authorities for posting, updating the mess menus, attendance tracking, monitoring daily leaves and feedback, and pushing notifications directly to the students
* An on-demand notifications system and meal reminders.

**4.2 Technical Requirements**

The technology requirements for the Mess Management app would be:

* UI/UX designers for designing the app
* Interaction with users: App, people for app building & development
* Analytical support: Expertise in analytical tools, software license for analytical tools
* E-commerce team to handle all the transactions involved
* SMART Bins

**4.3 Service Support**

Our Mess Management app provides service assistance in identifying the meal they are interested in, skipping the one that doesn’t interest them much or has other plans, and getting a rebate amount/incentives if informed beforehand of skipping. And get/give the mess feedback by providing them transparency to look for

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**Chapter 5: Financial Plan & Projection**

**5.1 Pricing of Ads**

We earn revenue through ads by the institutions/individual applicants on our platform. An Ad per year ranges from 5$ to 10$. This would increase by 10% every subsequent year.

**5.2 Income Statement**

Income statements projection based on sales and growth of our website have been prepared as below:

|  | **1st Year 2nd Year 3rd Year** | **4th Year** | **5th Year** |
| --- | --- | --- | --- |
| **Revenues** |  |  |  |
| **No of Ads Placed** | $1,711 $5,369 $11,972 | $21,500 | $40,450 |
| **TotalRevenues** | $17,107 $59,059 $1,44,864 | $2,86,171 | $5,92,234 |
| **Average price per ad** | $10 $11 $12 | $13 | $15 |
| **Gross Profit** | $17,107 $59,059 $1,44,864 | $2,86,171 | $5,92,234 |
| **Expenses** |  |  |  |
| **Salaries** | $20,000 $21,000 $22,050 | $23,153 | $24,310 |
| **General Administrative Cost** | $50,000 $52,500 $55,125 | $57,881 | $60,775 |
| **Research & Development Marketing**  **Total Expense** | $7,500 $7,875 $8,269 $50,000 $52,500 $55,125 $1,27,500 $1,33,875 $1,40,569 | $8,682  $57,881  $1,47,597 | $9,116  $60,775  $1,54,977 |
| **EBT** | -$1,10,393 -$74,816 $4,295 | $1,38,574 | $4,37,257 |
| **Tax(18%)** | $0 $0 $0 | -$9,167 | $78,706 |
| **EAT** | -$1,10,393 -$74,816 $4,295 | $1,47,741 | $3,58,550 |
| **PV Factor @12%** | 1 0.89285714 0.79719388 | 0.711780248 | 0.635518078 |
| **PV EAT** | -$1,10,393 -$66,800 $3,424 | $1,05,159 | $2,27,865 |
| **PV cumulative EAT** | -$1,10,393 -$1,77,192 -$1,73,768 | -$68,609 | $1,59,257 |
|  |  | **Breakeven** | |

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\*\*for calculation of Taxes in year 3 & 4, the losses of year-1 & 2 were taken into consideration **5.3 Expenses**

The major expenses incurred would be designers’ salaries, marketing, website development, R&D, and general administrative costs. At the starting to gain traction, more marketing needs to be done, and those costs would be adjusted in the subsequent years.

Estimation for the first year of expense

| Activities | Cost |
| --- | --- |
| For Developing website & APP | $20,000 |
| Employee Salaries | $50,000 |
| General Administrative Cost | $7,500 |
| Marketing & Promotion for 3 years $50,000 |  |
| Total | $1,27,500 |

**5.4 Monthly Revenues**

Monthly revenues are calculated based on the below growth rate for the number of ads. As it is a niche market and has a lot of target audience at the start we can expect a greater growth rate. The growth rate for the number of ads :

| Year-1 | Expecting 10% monthly growth due to marketing effect, word of mouth |
| --- | --- |
| Year-2 | Expecting 10% monthly growth due to marketing effect, word of mouth |
| Year-3 | Expecting 5% monthly growth |
| Year-4 | Expecting 5% monthly growth |
| Year-5 | Post 4 years established growth of 10 % is considered. |

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*Monthly revenues of FakerHater*

Year-1 Year-2 Year-3 Year-4 Year-5

|  |  |  |  |  |  |  |  | Mon sales Profits Mon sales Profits Mon sales Profits Mon sales Profits Mon sales Profits |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1 | 80 | 800 | 1 | 251 | 2762 | 1 | 752 | 9101 1 1351 17979 1 |  | 2541 37207 |
| 2 | 88 | 880 | 2 | 276 | 3038 | 2 | 790 | 9556 2 1418 18878 2 |  | 2668 39068 |
| 3 | 97 | 968 | 3 | 304 | 3342 | 3 | 829 | 10034 3 1489 19822 3 |  | 2802 41021 |
| 4 | 106 | 1065 | 4 | 334 | 3676 | 4 | 871 | 10536 4 1564 20813 4 |  | 2942 43072 |
| 5 | 117 | 1171 | 5 |  | 368 4044 | 5 | 914 | 11063 5 1642 21853 5 |  | 3089 45226 |
| 6 | 129 | 1288 | 6 |  | 404 4448 | 6 | 960 | 11616 6 1724 22946 6 |  | 3243 47487 |
| 7 | 142 | 1417 | 7 |  | 445 4893 | 7 |  | 1008 12196 7 1810 24093 7 |  | 3406 49861 |
| 8 | 156 | 1559 | 8 | 489 | 5382 | 8 |  | 1058 12806 8 1901 25298 8 |  | 3576 52354 |
| 9 | 171 | 1715 | 9 | 538 | 5920 | 9 |  | 1111 13447 9 1996 26563 9 |  | 3755 54972 |
| 10  11 | 189  207 | 1886  2075 | 10  11 | 592  651 | 6512  7163 | 10  11 |  | 1167 14119 10 2095 27891 10 1225 14825 11 2200 29286 11 |  | 3942 57721 4140 60607 |

12 228 2282 12 716 7880 12 1286 15566 12 2310 30750 12 4347 63637 14

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