Wollo University

Kombolcha Institute of Technology(KIoT)

Department of Software Engineering

Course Title: Entrepreneurship for Engineers

Title: Engocha Food Delivery App Business Plan

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Acknowledgment

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This document is part of an activity kit whose aim is to help teachers promote entrepreneurial competencies and provide them with the necessary tools to do so. It is a valuable tool for helping students maintain or further develop their entrepreneurial skills in order to prepare them to better meet the many challenges ahead.

Finally, we would like to thank all those who participated in the production of these materials, which we hope you will find useful.

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EXECTUTIVE SUMMARY

I.Brief Description of the project

Engocha Online Food Ordering System described in this document has been designed to fill a specific niche in the market by providing small restaurants with the ability to offer their customers an online ordering option without having to invest large amounts of time and money in having custom software designed specifically for them. The system, which is highly customizable, allows the restaurant employees to easily manage the site content, most importantly the menu, themselves through a very intuitive graphical interface.

The web app, which is the only component seen by the restaurant customers, is then built dynamically based on the current state of the system, so any changes made are reflected in real time. Visitors to the site, once registered, are then able to easily navigate this menu, add food items to their order, and specify delivery options with only a few clicks, greatly simplifying the ordering process. Back in the restaurant, placed orders are promptly retrieved and displayed in an easily readable format for efficient processing.

Figure 1 Logo for Engocha Food Delivery App

II. Brief Profile of the Entrepreneur

- ✓ **Address of Entrepreneurs: Kuteba, Kombolcha**
- ✓ **Nature of the business:** Providing Food Delivery service for the customers providing quality and cost effective foods

✓ Vision of Enterprise: to solve wastage of time by proving the delivery service to the location they desire and to look at new menu service at the hotel.

Mission of Enterprise

➢ Providing Ordering of Food

➢ Providing Delivery of Food

➢ Customer Satisfaction

➢ Creating an unforgettable digital experience

III. Projects Contributions to the economy

Engocha Food Delivery app focuses on providing ordering of different types of foods and drinks. The business centers around what the customers needs. It serves as a time saving and provides employment for delivery boys.

CHAPTER ONE

Marketing Plan

1.1 Brand name of your business plan

Our Brand name is: *Encogcha Food Delivery App*

1.2 Motivation to start your business plan

Our motivation to start the business to advance society and make it more connected to food available where they work or the location they are located in. make it severable for anyone located in kombolcha.

1.3 Description of the product

In today's age of fast food and take-out, many restaurants have chosen to focus on quick preparation and speedy delivery of orders rather than offering a rich dining experience. Until very recently, all of these delivery orders were placed over the phone, but there are many disadvantages to this system. First, the customer must have a physical copy of the restaurant's menu to look at while placing their order and this menu must be up to date. While this expectation is not unreasonable, it is certainly inconvenient.

Second, the orders are placed using strictly oral communication, which makes it far more difficult for the customer to receive immediate feedback on the order they have placed. This often leads to confusion and incorrect orders. The current system is also inconvenient for the restaurant itself, as they must either have a dedicated staff member to answer the phone and take orders, or some employees must perform double-duty, distracting them from their regular tasks.

What I propose is an online ordering system, designed for use in any applicable kombolcha city food delivery industry. The main advantage of my system is that it greatly simplifies the ordering process for both the customer and the restaurant. When the customer visits the ordering webpage, they are presented with an interactive and up-to-date menu, complete with all available options and dynamically adjusting prices based on the selected options. After making a selection, the item is then added to their order, which the customer can review the details of at any time before checking out. This provides instant visual confirmation of what was selected and ensures that items in the order are, in fact, what was intended.

1.4 Comparison of the product with its competitors

- **What does Engocha App do well?**
  - Easy information sharing-almost like social networking
  - Wide-ranging, -initiative search capabilities
  - Easy sorting based on a user's preferences
  - An easy to navigate knowledge base to solve customer's problems
  - Streamlined review feature
  - Complete user profile
  - Simple re-orders, so users can order their favorite meals with minimal effort
  - Wide selection of restaurants
  - Seamless payment
  - Seamless Gps to help user order from nearby restaurants
  - Excellent, live ,24/7 customer support
  - Greater filtering and search capabilities
  - Clear visual showing what users can orders
  - Simple, streamlined interface
  - Excellent search features
  - On time delivery
  - High customer satisfaction

1.5 Location

✓ The business will be located in Online Service and our office is be located in kombolca city in front of Kuteba Sefer. The Operation of the app will be supervised by the Developer of the System.

1.6 Market Area

✓ We plan to provice the service in Online Ordering service which can be accessed everywhere.

1.7 Main Customers

✓ While our intended main users will be hotel users it will also working professionals, university students, families and retirees.

1.8 Total Demand

✓ While Each hotel can serve physically up to 50 people at a lunch time but using our app they will be able to provide a much more even double amount of people they serve.

1.9 Market Share

✓ As it is a new feature of the system in this city . it will provide a variety of foods and easy access to different places and introduces

1.10 Selling Price

✓ The selling price will be based on each hotels that make up their profit and each one will be different as is also the service they provide

1.11 Sales Forecast

✓ If total demand daily at least 150 people can serve our business revenue will be double amount and Market share = (business revenue/total industry revenue) *100%

Market share = (150/300)*100%=50%

projected market share is 50%.

We believe that the demand will increase as online ordering is becoming popular for the coming years.

Table 1 Sales Forcast

Year	Projected Sales	
	No of Order	Amount(ETB)
2014	3000	300,000
2015	3500	350,000
2016	4000	400,000
2017	4500	450,000
2018	5000	500,000

1.12 Promotional Measures

- ✓ Online Advertising (Search Ads)
- ✓ Advertise the app through the press
- ✓ Print our logo and make it visible
- ✓ Merchandise sell the product
- ✓ Satisfied customers will promote
- ✓ Press Release
- ✓ Tv Promodion
- ✓ Banners

1.13 Marketing Strategy

The Product Strategies is based on

1. Defing our target audience
2. Spread Awareness With The Help Of Facebook Ads
3. Maximize our Reach With YouTube Ads
4. Grab The Power Of Social Media
5. Engage, Entertain And Sell With Compelling Videos

1.14 Marketing Budget

- ✓ Our promotion will rely mostly on online advertising the cost will be about 10,000 birr per month for ADS and other social media, banners, and Tv promotion.

1.15 SWOT Analysis

- ✓ is a strategic tool that is comprised of organizational strengths, weaknesses, opportunities, and threats.The purpose of the SWOT analysis is not only to understand the internal strengths and weaknesses of a company but also external opportunities and threats that the business could take advantage of and it should avoid.
- ✓ 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.

Table 2 SWOT Analysis

Strengths	Weakness
Experience in using similar apps	Limited funds to start up
A unique app that is customized to the client's taste	Low brand recognition: We will leverage aggressive marketing in the first few years of operations to build brand awareness and gain the loyalty of users
Well-established and efficient operational plan with the aid of technology	Costly Food
Exceptional customer service	High Turnover
Boosting stores and restaurant sales and empowering drivers	Quality required for free delivery which sometimes is too much for one person
Simple-to-use, fast, transparent, reliable, and secure platform	Competitor can offer similar service with better price and promo
Safe and accessible storage type	Order only available from restaurant that are located in the zone of the order placed.

Opportunities	Threats
The growing mobile app market and increasing internet penetration worldwide	Susceptibility of the platform to cyberattacks
The increasing rate of dining out and online order.	Uncertainty about the economic outlook especially with the COVID-19 pandemic outbreak.
Opportunity to penetrate prospective markets in various American regions with our interactive app	Disguised Increased Expense
Technological advancement offering improvements to mobile apps	Increased Potential Competitors

CHAPTER TWO

2 Production Plan

2.1 Production Process

To create a food ordering app, you must know how to control both the back-end and front-end functions. By virtue of being the most sought after food delivery app development company, we can take care of the entire application development life cycle. Begin from the idea validation moving to create the mockups, wireframes, and UI/UX designs. The front-end development services consist of:

- Developing user interface
- User-interface sequences
- Designing the buttons and screens.

To make a robust food delivery app, understand how to utilize the next-gen technology stack for different functions. That includes:

- Database development

- Logistics control

- Data management

- Authentications and API Integrations

- 3rd party setup

2.2 Fixed Capital

Table 3 Fixed Capital

Equipment	Price	Number	Total cost
DESKTOP COMPUTER	10,000 ETB	6	60,000 ETB
SERVER	80,000 ETB	1	80,000 ETB
CONECTION CABLE	5,000 ETB	10	50,000 ETB
TABLE	1200 ETB	10	12000 ETB
CHAIR	800ETB	15	12,000 ETB
PRINTERS	40,000	1	40,000 ETB
Back end developers	10000	3	30000
Front end developers	10000-	2	20000
TOTAL	304,000ETB		

2.3 Life of Fixed Capital

2.4 Maintenance and repairs

Major Factors Determining The Cost of Food Delivery App Maintenance Here's the list of the major factors affecting the food delivery app maintenance cost. Let's discover them one by one.

1. Managing Push Notifications

Enabling push notifications is one of the effective ways to keep the users engaged with the application while resulting in improved user engagement. However, if you need to integrate some additional push notification features into our ENGOCHA Food Delivery app. This will help to manage and personalize push notifications based on users' engagement and future business goals.

2. Bug Fixing & Updates

None of the businesses will launch a mobile app with bugs and errors. But, with time, users may find some error in the features and functionalities of a food delivery application that needs to be updated with time. In this situation, it becomes essential to address those issues, and hence businesses need to perform mobile app maintenance. The more complex the app is, the higher the bugs and updates will be. So, keep on updating our app to reduce the maintenance cost while keeping our app working and error-free.

3. New Content Upgradation

Initiating the food delivery app development process doesn't end the job there. A lot more needs to be performed to keep the app running. This activity involves publishing new content as well. To ensure that the users get updated information from our food delivery app, update the content timely. It could be in the form of text, images, videos, and more. It will help increase user engagement and earn huge business profits and sales.

2.5 Source of Equipment

The equipment will be purchased almost all from market .

2.6 Planned Capacity

The ordering app has unlimited planned capacity of receiving order.

2.7 Raw Materials Needed

Table 4 Raw Materials Needed

Equipment	Number
DESKTOP COMPUTER	6
SERVER	1
CONECTION CABLE	10
TABLE	10
CHAIR	15
PRINTERS	1
TOTAL	43

2.8 Cost of raw materials

Table 5 Cost of Raw Materials

Equipment	Number	COST(EACH)
DESKTOP COMPUTER	6	10,000 ETB
SERVER	1	80,000 ETB
CONECTION CABLE	10	5,000 ETB
TABLE	10	1,200 ETB
CHAIR	15	800 ETB
PRINTERS	1	40,000 ETB
TOTAL	43	137,000 ETB

2.9 Raw materials availability

Table 6 Raw Materials Availability

Equipment	AVAILABILTY
DESKTOP COMPUTER	ALWAYS
SERVER	ALWAYS
CONECTION CABLE	ALWAYS
TABLE	ALWAYS
CHAIR	ALWAYS
PRINTERS	ALWAYS

2.10 Labour

Table 7 Labour

Function	Backend	Frontend
Order Manager	1	2
Forwarding and changing order status	1	5
Customer Tracking	2	1
Maps Integration	2	1
Order Details and History	1	1
Total	7	10

2.11 Cost of Labour

Table 8 Cost of Labour

Function	Backend	Frontend	COST
Order Manager	1	2	30000
Forwarding and changing order status	1	5	20000
Customer Tracking	2	1	30000
Maps Integration	2	1	30000
Order Details and History	1	1	20000
Total	7	10	130000

2.12 Labour Availability
Table 9 Labour Availability

Function	Backend	Frontend	AVAILABILTY
Order Manager	1	2	AVAILABLE
Forwarding and changing order status	1	5	AVAILABLE
Customer Tracking	2	1	AVAILABLE
Maps Integration	2	1	AVAILABLE
Order Details and History	1	1	AVAILABLE

2.13 Production cost
Table 10 Production Cost

Function	cost
Access and Authorization	3000
Profile Setup and Editing	2700
Push Notifications	3200
Total	8900

CHAPTER THREE

ORGANIZATION AND MANAGEMENT PLAN

3.1 Form of business

Our business is structured with all kombolcha hotels which make decision to use food ordering app

3.2 Organizational structure

Customer → Web Ordering System → Database → Order Retrieval ← Restaurant Employee

Menu Management → Database

Restaurant Employee → Menu Management
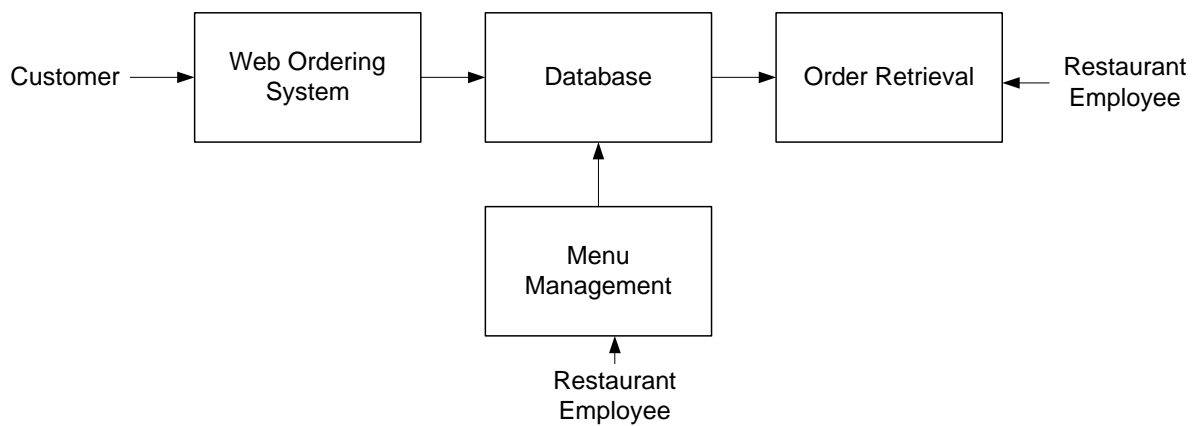
Figure 2 Organizational Structure

3.3 Office Equipment

Table 11 Office Equipment

Equipment	Number
DESKTOP COMPUTER	3
SERVER	3
CONECTION CABLE	6
TABLE	12
CHAIR	10
PRINTERS	2

3.4 Administrative Expenses

❖ Monthly administrative expenses consistof:

❖ Depreciation of Office Equipment 1716 ETB

❖ Supplies and Communication 1716ETB

❖ Electricity 5,150

ETB Total 13,650 ETB

CHAPTER FOUR
FINANCIAL PLAN

4.1 Project cost

4.11 Fixed Assets

- ❖ Machines Equipment =137,000 ETB
- ❖ Office Equipment = 61,500 ETB

Total Fixed Assets = 304,000ETB

Pre-Operating Expenses

4.13 Working Capital

Production costs refer to all of the direct and indirect costs businesses face from manufacturing a product or providing a service.

Table 12 Project Cost

Function	Time	Cost
Development	1000 hours	30,000
Quality Assurance	168 hours	5,040
Project Management	112 hours	3,360
Total	**1280 Hours**	**38,400 Etb**

4.2 Equipment cost
Table 13 Equipment cost

Equipment	Number	cost
DESKTOP COMPUTER	3	80000 ETB
SERVER	1	500 ETB
CONECTION CABLE	10	1000 ETB
TABLE	10	1000 ETB
CHAIR	15	1000 ETB
PRINTERS	1	50000 ETB
TOTAL		61,500ETB

4.3 Financing Plan and Loan requirement

Financial Planning is the process of estimating the capital required and determining

it's competition. It is the process of framing financial policies in relation to procurement, investment and administration of funds of an enterprise.

Table 14 Financial Plan and Loan Requirement

Particular	Owner's Equity	Loan plan	Total
Fixed Capital			
Fixed assert		304,000.2 ETB	304,000 ETB
Office equipment	61,500 ETB	-	61,500 ETB
WorkingCapital	-	107,000 ETB	70,244.3 ETB
Total	**61,500 ETB**	**411,000.2ETB**	**472,500ETB**
Percent	13%	87%	100%

Financial year	Sales	Gross margin	Net profit
Year 1	300,000 ETB	-	150,000 ETB
Year 2	350,000 ETB	50,000 ETB	175,000 ETB
Year 3	400,000 ETB	50,000 ETB	200,000 ETB

4.4 Profit and loss statement

Raw Materials: 21,450 ETB x 12 months =**257,400ETB**

Labour Cost 1,850 ETB x 12 months = **22,200 ETB**

4.5 Cash flow statement and balance sheet

Table 15 Cash Flow Statement and Balance Sheet

Particulars	(Pre-Operating YEAR Period)ETB
Cash sales for promotion	30,000
Equity	61,500 ETB
Loan(borrowing)	304,000ETB
Total Cash Inflow	**365,500.3ETB**
Cash Outflow	
Direct materials	21,450 ETB
Direct labour	22,200 ETB
Factory/operational overheads*	14,813.3 ETB
Inventory of work-in-process	37,500 ETB
Inventory of finished goods	19,500 ETB
Marketing expenses	15,000 ETB
Administrative expenses	13,650 ETB
Interest payment	18,172 ETB
Total Cash Outflow	162,285 ETB
Net Cash Inflow (Outflow)	**162,285.3 ETB**

4.6 Loan repayment schedule

Table 16 Loan Repayment Schedule

Year	Sale(ETB)	Interest Payable at 20%
2014	300,000	60,000
2015	350,000	70,000
2016	400,000	80,000
2017	450,728	90,000
2018	500,800	100,160
TOTAL	2,001,528 ETB	400,160 ETB

4.7 Break-even point (in birr and unit)

Table 17 Break Even Point(In Birr and Unit)

Points	ETB
Sales	**304,000**
Annual Fixed Costs:	
Annual interest	117,107.8
Advertisement	50000
Total	**426,107**
Annual Variable Costs:	
Raw materials	257,400
Total	257,400

Total Revenue = Total Costs

Total Revenue (TR)= Price per unit x Number of units sold

Used to evaluate whether the organisation will be able to cover costs (break even) at a particular price

Break even analysis

=304,000Per Year/(150-50)=30,400UNITS

Therefore , The Application must order 30,400 Food Per Year

Sales = 30,400*150=4,560,000 ETB

Variable Cost= 30,400 * 50 = 1,520,000 ETB

Fixed Cost =4,560,000 ETB - 1,520,000 ETB = 3,040,000

Profit or Loss = Sales-(Fixed + Variable) Costs

  = 4,560,000 – (3,040,000 + 1,520,000) = 0

Break-Even in Birr= Fixed costs/(Sales-Variable costs)/sales

  =3,040,000/(4,560,000-1,520,000)/ 4,560,000

  =4,560,000 ETB

4.8 Financial analysis

Considering the product's better features, the conservative estimates in sales, realistic cost estimates, the entrepreneur's proven track record, and the sound financial projections, the project is considered very viable.

Conclusion and Recommendation

Engocha online food ordering App is developed where the customers can make an order for the food and avoid the hassles of waiting for the order to be taken by the waiter. Using the application, the end users register online, read the E-menu card and select the food from the e-menu card to order food online. Once the customer selects the required food item the chef will be able to see the results on the screen and start processing the food. This application nullifies the need of a waiter or reduces the workload of the waiter. The advantage is that in a crowded restaurant there will be chances that the waiters are overloaded with orders and they are unable to meet the requirements of the customer in a satisfactory manner. Therefore, by using this application, the users can directly place the order for food to the chef online.

In conclusion an online food ordering App is proposed which is useful in small family run restaurants as well as in places like college cafeteria, etc. This project can later be expanded on a larger scale. It is developed for restaurants to simplify their routine managerial and operational task and to improve the dining experience of the clients. This also helps the restaurant owners develop healthy customer relationships by providing reasonably good services. The system also enables the restaurant to know the items available in real time and make changes to their food and beverage inventory based on the orders placed and the orders completed.

Appendices

Price list from Competitors:- Price of different Food Delivery Apps from competitors and other selling are available. We are planning to reduce our delivery time to compete with others and help the customer well.

Market Research Data:- we selected the area for these business enterprises primarily because they are at the center and many customers will be looking out for them.

Lease/contract: - The business will be located in front of Kuteba that's where our main office will be located. This location has been selected mainly for these reasons and the production operation can easily be supervised by the owner; it is close to its targeted markets; and the cost for house rent is lower sowe are not intended in leasepayment.

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