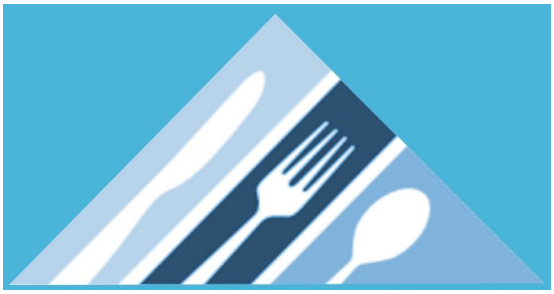
CSE 190C: Successful Entrepreneurship

Dine-N-Dash Business Plan



CEO: Luis Arriaga | CTO: Abhigya Ghimire | CMO: Whitney Vien
COO: Paul Hoang | CFO: Jonathan Do | CR: Von Jhiro Mandocdoc

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1. Executive Summary

The Problem

Waiting for your check at a restaurant can be a very frustrating experience.

The Solution

Dine-N-Dash has found a solution to this problem that will allow you to pay for your check using your mobile device. Part of our solution involves a mobile application that will enable restaurant patrons to pay or even split the bill accordingly. Another part is a web application allowing the restaurants to track the items for each table, similar to their current work flow. Lastly, we will be providing NFC chips along with QR codes for each table to connect the patrons with their real-time bill on our mobile app. As a result, you will be able to enjoy your meal, login to our app, connect to your transaction, where you will find your “check”, and simply pay without the wait.

Mission

We strive to provide a seamless payment experience to all restaurant patrons.

Keys to Success

Customer Feedback: Restaurant employees are a huge part of our future success. Currently, restaurant employees track their transactions using their own system; our web application will mimic this process to ease the transition into the employee’s overall work flow. For the restaurant patrons, we want to get rid of the whole back-and-forth process of paying for the check. Restaurant employee and patron feedback are both equally important to achieve our mission.

Simplicity: Our product consists of a few steps that makes it easy to use and enjoyable. We believe a major aspect to providing the best solution to this problem is keeping the experience simple. Dine-N-Dash is using existing technology to create a solution to an ongoing problem. Giving our users the ability to pay and go, only benefits their dining experience.

2. Company Summary

Startup Summary

Dine-N-Dash is a checkout service targeted towards sit-down restaurants in San Diego, CA. The company was founded through an entrepreneurial course at the University of California, San Diego in January 2017. The initial startup expenses, mainly for developing the application, will be covered by the founding members and the other expenses will be sought from angel investors.

The Team

Chief Executive Officer: Luis Arriaga

Chief Technology Officer: Abhigya Ghimire

Chief Marketing Officer: Whitney Vien

Chief Operations Officer: Paul Hoang

Chief Financial Officer: Jonathan Do

Customer Representative: Von Jhiro Mandocdoc

For the first three years, Dine-N-Dash will consist of these six members, as this will significantly cut down the costs of further labor and prevent more dilution. Our team is made up of several developers who can create the application, as well as members with finance and marketing experience.

Company Location

The company will remain local and have its main office in San Diego. As Dine-N-Dash expands, we plan to open other offices in the United States based on market needs.

3. Market Analysis

Industry Overview

The payment industry has progressed in its efficiency over the last few years through the use of smartphones, as they have become an essential item to carry around. With the connection to bank accounts and other forms of payment, smartphones are developing into a new type of wallet and are becoming more engrained to a person than they have been in the earlier decades. With the increasing significance of a smartphone, we hope to boost its purpose in society with a more general app that will allow for payment in multiple restaurants.

Market Size

In 2016, there was an estimated 624,301 restaurants in the U.S. (Statista). There was also an estimated 20.5 million university students enrolled in the fall of 2016 (NCES). Of the entire population, it is said that about 58% will eat out at least once per week (Rasmussen Report).

Market Opportunities

Despite our competition, there is no solution that streamlines the process of checking out in a convenient and cost-effective way. Current solutions are focusing on an entire platform for the restaurant to center their business around or aren't even integrated into the restaurants. This provides an opportunity to create an easily adoptable solution that any sit-down restaurant can integrate with, alongside allowing simultaneous usage by patrons.

Competition

The main competitor to our product is Ziosk as they are a tablet-integrated payment model that is built into the restaurant's infrastructure. Other competitors include Amazon Go, a shopping experience that utilizes your phone to process payments, Splitwise, an app with a functionality to split the bill among friends, and restaurants that already have their own app for their location.

Customer Feedback

From our customer discovery process, we have spoken to restaurant managers, and more than 50% agree that our product would increase inefficiency. There would be overall less wait time for the bill and the restaurants would be able to serve more customers.

4. Product Summary

Product Description

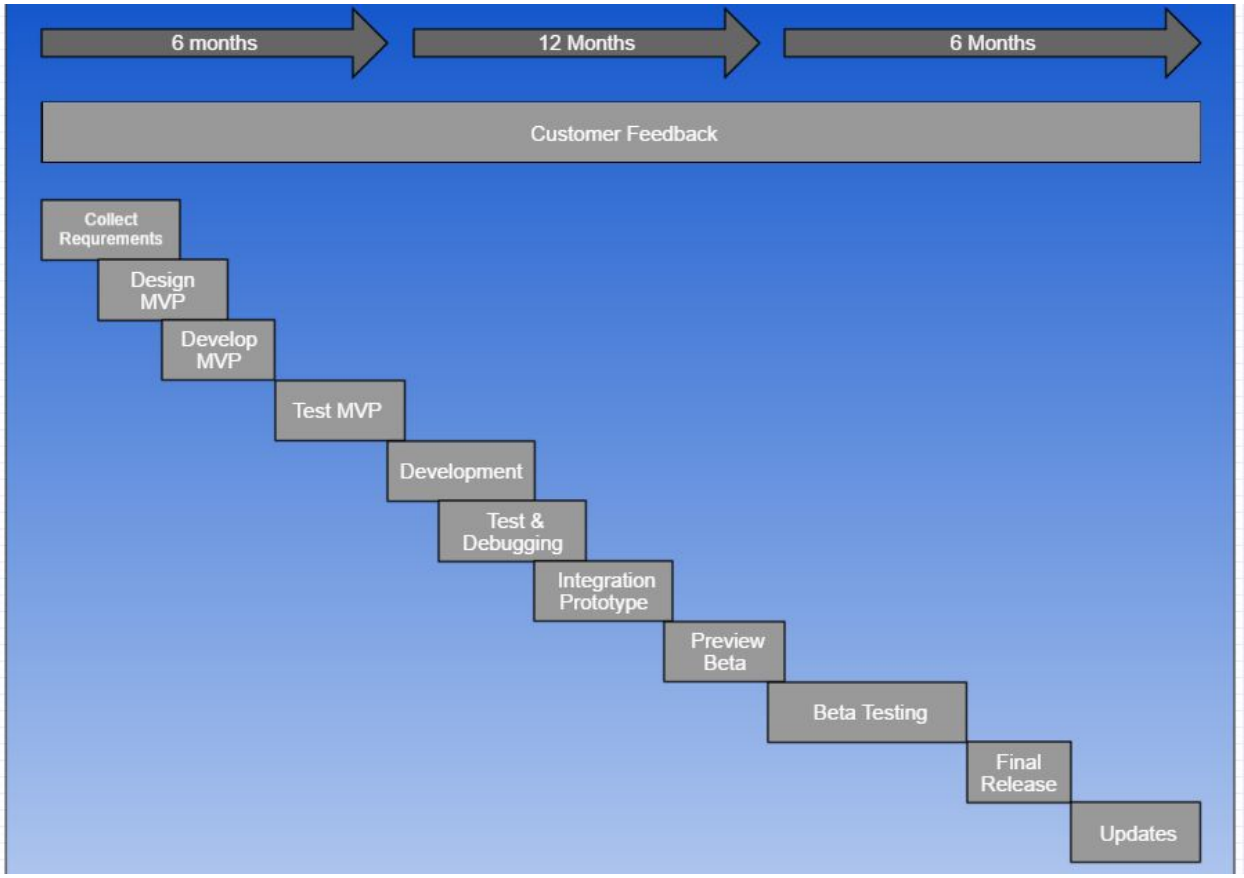
Dine-N-Dash will be a web application for the restaurants that adopt it, as well as a mobile application for the patrons of the restaurants.

Starting with the web application for the restaurants, we will incorporate their database into the web application for elements such as the prices, table numbers, and which waiter is waiting which table. The waiters will be the main users of the web app as they will be inputting the orders of each patron into the computer which will then be sent to cloud for the patrons to view on their mobile devices, which leads the to the mobile app.

The mobile application for the restaurant patrons will be synced with the web application in which the patrons will be able to view what they ordered on their phones throughout their meal. When the patron is finished with their meal and would like to leave, the patron will pay and confirm through the app where we handle credit card fees and take a cut from the transaction.

The service for the restaurant will also include cards that contain our logo and company name, a QR code, and an NFC chip to the synchronization functionality. A card is to be placed on each table. As a patron is seated, they will log in to the app and either tap their phone on the NFC chip or scan the QR code, identifying their table on their app. Through this, the waiter can correctly identify and input their order, which will show up on customer's app in real time. At the end of the meal, the customer will be allowed to pay the bill through the app, without waiting for a waiter to process it.

Product Development Schedule



Throughout all phases, we will be conducting customer feedback.

Phase 1 consists of collecting requirements (interviews, observations, customer discovery), designing, developing and testing the Minimum Viable Product. It will take 3-6 months because we will be getting a lot of feedback from potential customers and needing to produce and test multiple MVPs to choose the best product for Phase 2.

In Phase 2, we build off our MVP from the first phase and integrate the beta prototype with our customers (restaurants). This will take about another 9-12 months because of the amount of development and testing needed to build the web app, mobile apps, and hardware and integrating the entire system together.

Phase 3 will take about 3-6 months because there would be the beta testing with the first customers, getting their feedback, and preparing for the final release. We will release updates regularly throughout the lifetime of the product.

Competitive Analysis

The current competitors all have unique ways to pay for the checks, however, they do not take advantage of the fact that most college students have a smartphone at the palm of their hands. There are some apps out there that do take advantage of it such as restaurant specific apps, but installing each one would clutter the patron's phone and would sooner or later be uninstalled because of the mess. Dine-N-Dash will be a single, more generalized app for patrons so their phones wouldn't be jumbled with multiple restaurants. Not only will we be advantageous to the restaurant patrons, but also to the restaurants themselves as our product will not require restaurants to buy any expensive pieces of hardware in order for it to function and will be integrated easily into their systems. The restaurant's patrons will be exiting and making room for other patrons to enter in a quicker fashion due to this agile form of payment.

Product Advantages

Dine-N-Dash incorporates the use of patrons' mobile devices so that they will be able to make payments with the tip of their fingers. We will get rid of the utilization of a single proprietary piece of hardware since it does not allow patrons to pay their respective checks simultaneously. Since we handle our product through web apps and mobile apps, the integration to the restaurant systems will not change how their current work flow is. It will not require any restructuring of the building in order for our product to work, instead it just takes extra table room space and a small alteration to the computer. Doing this allows for normal restaurant operation with non-Dine-N-Dash users, while having an additional more efficient method of payment for our users.

Product Roadmap

Dine-N-Dash will include the functionality of the table/restaurant identification through the card, as well as the payment of the bill. Future endeavours could include ordering the customer's meal or making reservations through the app.

Production Plan

The only production needed is the cards containing the company name and logo, the QR code, and the NFC chip alongside any needed paperweights to hold the card (dependant on the restaurant). We will only have to scale up production as the growth of new participating restaurants go up.

5. Marketing and Sales Strategy

Targeted Markets

For our initial release, we aim to target small sit-down restaurants that utilize computers for their database so that we can integrate our web applications into their systems. Furthermore, it would be auspicious if the restaurants also have a “Happy Hour” that increases the volume of people dining out. This will allow us to gather data on how efficient our application is for reducing the time it takes to pay for the meal. Further down the road, we will target larger chain restaurants in order to expand our business.

We will also target the restaurant’s patrons who are tired of waiting for a waiter to bring the bill. The first target audience will be college students because many of them do not cook and results in them eating out often. The users will also need to have a smartphone to use our iOS or Android application.

Customer Outreach

We will start locally at small, but busy sit-down restaurants that have long wait times so that we can gather enough data for the larger restaurants. As we expand, we will reach out to the corporate company of chain restaurants to get them to distribute our application to their various locations. We will pitch that our product increases customer circulation within the restaurants as it gets rid of idle time of waiting for the check and waiting to get back the receipts to sign when paying with a credit card.

For our customer’s customers, the restaurant patrons, we will be conducting surveys to gather information about their interest of our product. We want to know if the patrons think that the waiting time is a key problem in dining-in.

Strategic Alliances

We plan to partner with companies that already deal with a large number of restaurants and restaurant goers. Established businesses like Yelp and Zomato will help give us credibility and help us reach a larger user base. By promoting each other, the partnerships will benefit both parties because we have similar target markets but offer different products.

Advertising and Promotion

We will apply “pull” messaging through the use of social media and word-of-mouth from the restaurant patrons. We also plan on paying to get featured in the Apple and Android App Store and buying Facebook ads. The “push” messaging tactic will also be utilized with the exposure of stickers that we plan on distributing to college students.

Selling Tactics

Aside from the use of our own social media, we will be using other channels of advertising. We will be collaborating with bloggers to write about us from a restaurant perspective (INSIDER Food, Tasty, etc) and from the technology side (Cnet, Wired, etc). Using these channels, we hope to create “buzz” among people to gain more exposure.

6. Manufacturing and Operations Plan

Table Cards

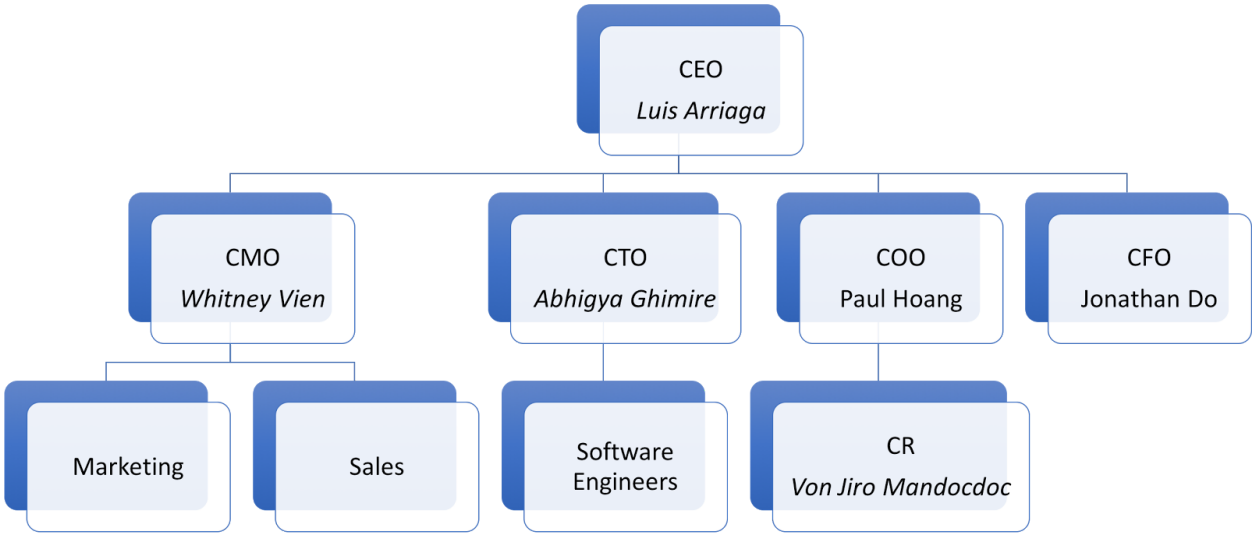
Our product works by using a card (or a paperweight with a card if the restaurant prefers) on each table. The card will contain our logo, a QR code, and an NFC chip to allow the restaurant customers to be identified in the restaurant’s database. We would be supplying the paperweights to the restaurants as we need to generate a QR code as well as personally program the NFC chips. We will also need to find a manufacturing company that will print out the cards with our logo and the QR code, as well as place the NFC chips for consistency purposes.

Servers

Restaurants are going to be connected to our database and the web app allows access to their profile. We will have to keep the servers running 24/7 to make sure that the restaurant has access to the service whenever they are in business. The cost will go up as the number of restaurants grow, leading us to pay for more servers.

7. Organization and Personnel Plan

Organization



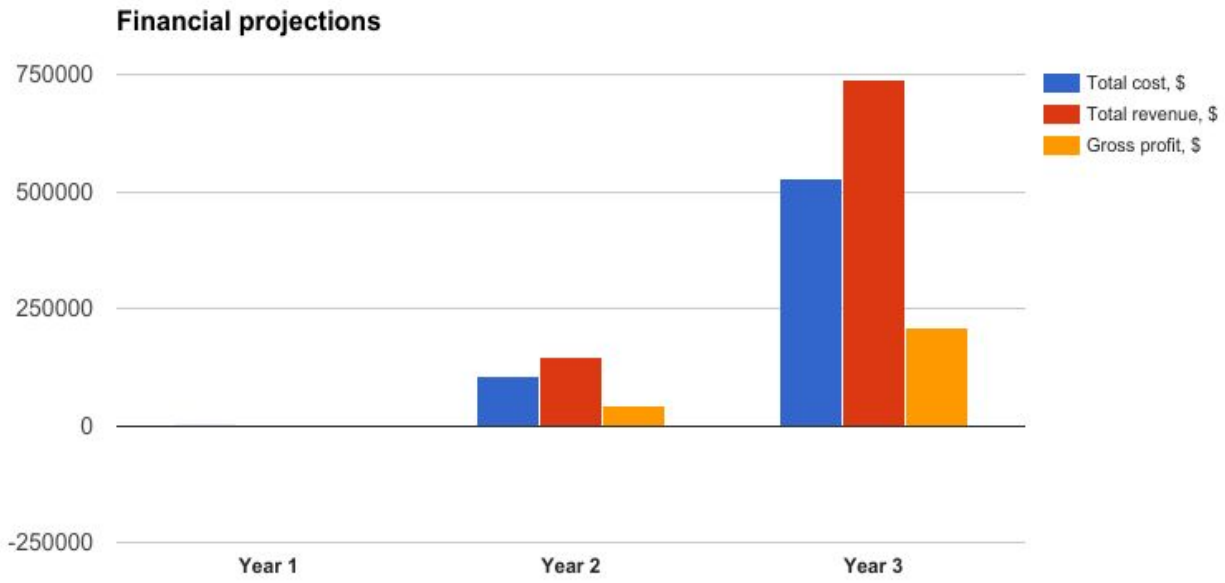
Personnel Plan

At the moment, the entire development phase is going to be handled by the co-founders of Dine-N-Dash. This is to ensure that the costs are low as there is no revenue being generated.

As we near release of the final product, we plan to scale card manufacturing and server maintenance. After we begin generating revenue, we will begin hiring software engineers, UX/UI designers, managers for other offices, sales associates, and any other roles that need to be filled.

8. Financial Overview

Business Plan Finanical Summary			
	2017	**2018**	**2019**
REVENUE			
Dine-N-Dash App (estimates)			
# Impressions	0	100,000	250,000
# Clicks	0	25,000	100,000
# Installs	0	10,000	50,000
Licensing Revenue, $	0	0	0
Services Revenue, $	0	147,552	737,760
TOTAL REVENUE, $	0	147,552	737,760
EXPENSES			
Labor Cost, $	0	0	0
Other Cost, $	500	105,792	528,960
TOTAL COST, $	500	105,792	528,960
GROSS PROFIT, $	-500	41,760	208,800
Operating Expenses	0	100	500
R&D, $	0	300	3,000
SG&A, $	0	100	1,500
OPERATING INCOME/LOSS, $	0	400	4,500
EBIT, $	-500	41,360	204,300

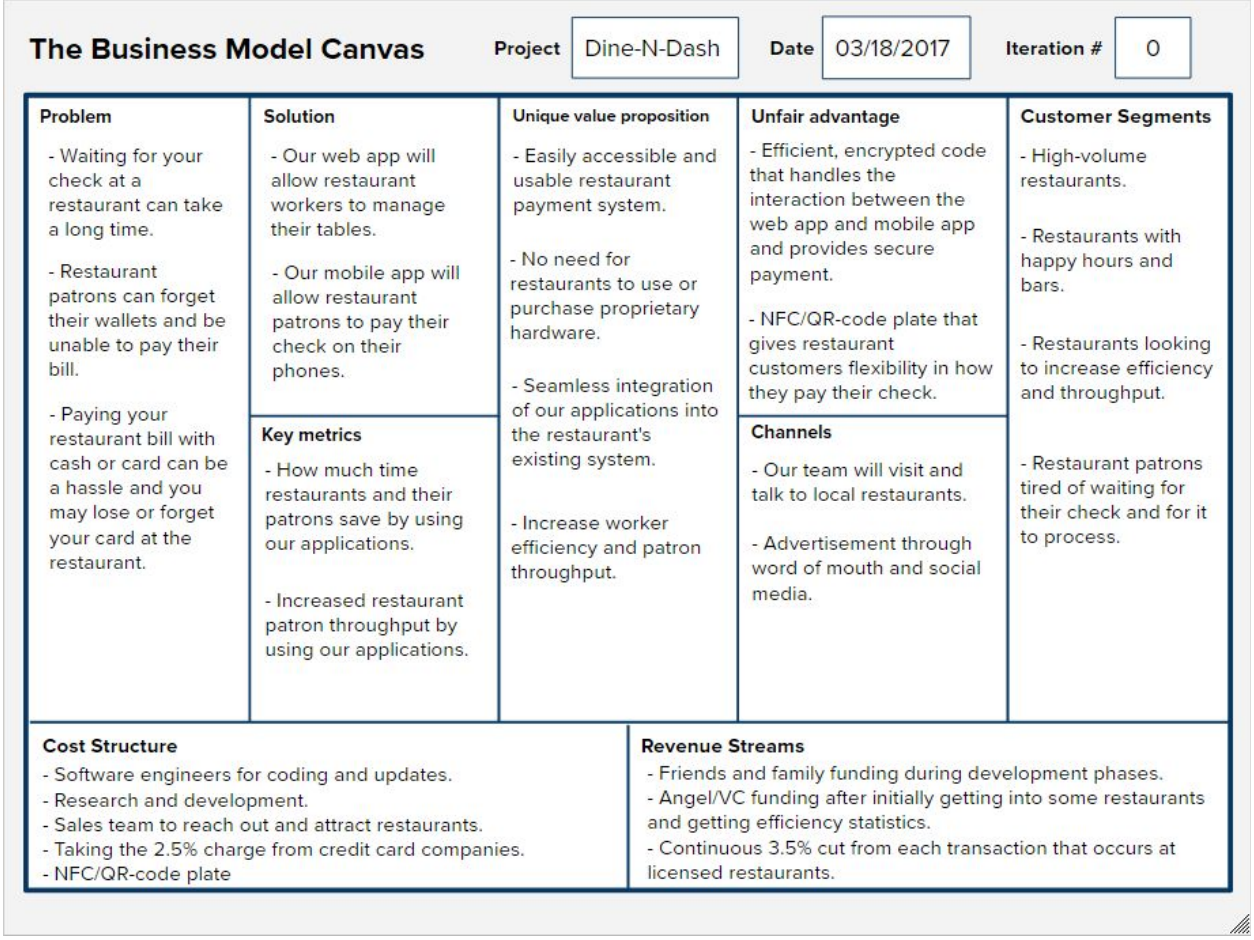


9. Exit Strategy

At the moment, we have a couple exit strategies in mind. The first exit strategy that we are considering is to eventually be bought out or merged with a competitor that complements our product, such as Yelp, Splitwise, and VTRACK (another start-up from our class). We are considering this strategy because in the case of Yelp and Splitwise, they are both more mature companies and have traction in the market, thus having the resources and ability to utilize our product to its fullest capabilities. In the case of VTRACK, if they happen to gain more or similar traction as us, we believe that merging with VTRACK can provide benefits to both of us as our products complement each other greatly.

The second exit strategy that we are considering is through an IPO. We are considering this strategy because this gives us the opportunity to raise a lot of money for future expansion, to reduce the risk of losing our company entirely, and to give us the possibility to liquidate our assets.

10. Lean Canvas Model



The Business Model Canvas

Project: Dine-N-Dash | Date: 03/18/2017 | Iteration #: 0

Problem

- Waiting for your check at a restaurant can take a long time.
- Restaurant patrons can forget their wallets and be unable to pay their bill.
- Paying your restaurant bill with cash or card can be a hassle and you may lose or forget your card at the restaurant.

Solution

- Our web app will allow restaurant workers to manage their tables.
- Our mobile app will allow restaurant patrons to pay their check on their phones.

Key metrics

- How much time restaurants and their patrons save by using our applications.
- Increased restaurant patron throughput by using our applications.

Unique value proposition

- Easily accessible and usable restaurant payment system.
- No need for restaurants to use or purchase proprietary hardware.
- Seamless integration of our applications into the restaurant's existing system.
- Increase worker efficiency and patron throughput.

Unfair advantage

- Efficient, encrypted code that handles the interaction between the web app and mobile app and provides secure payment.
- NFC/QR-code plate that gives restaurant customers flexibility in how they pay their check.

Channels

- Our team will visit and talk to local restaurants.
- Advertisement through word of mouth and social media.

Customer Segments

- High-volume restaurants.
- Restaurants with happy hours and bars.
- Restaurants looking to increase efficiency and throughput.
- Restaurant patrons tired of waiting for their check and for it to process.

Cost Structure

- Software engineers for coding and updates.
- Research and development.
- Sales team to reach out and attract restaurants.
- Taking the 2.5% charge from credit card companies.
- NFC/QR-code plate

Revenue Streams

- Friends and family funding during development phases.
- Angel/VC funding after initially getting into some restaurants and getting efficiency statistics.
- Continuous 3.5% cut from each transaction that occurs at licensed restaurants.