

FINAL DECK : SEWAN FOODS



A precise and complete report inclusive of facts and figures on the findings we researched and frameworkd upon in coordination with the client's feedback throughout the course of the project



EXECUTIVE SUMMARY

This report was commissioned by 180 Degrees Consulting JMI to provide SEWAN FOODS with an overview of several recommendations to address the problems faced by SEWAN FOODS.

Through our research and hypotheses, we recommend that SEWAN FOODS should approach and modify its existing model of channels by incorporating two channels-

- An Entrepreneur led model(Primary)
- A Canteen outlet model for the institutions & mobile canteens(Secondary)

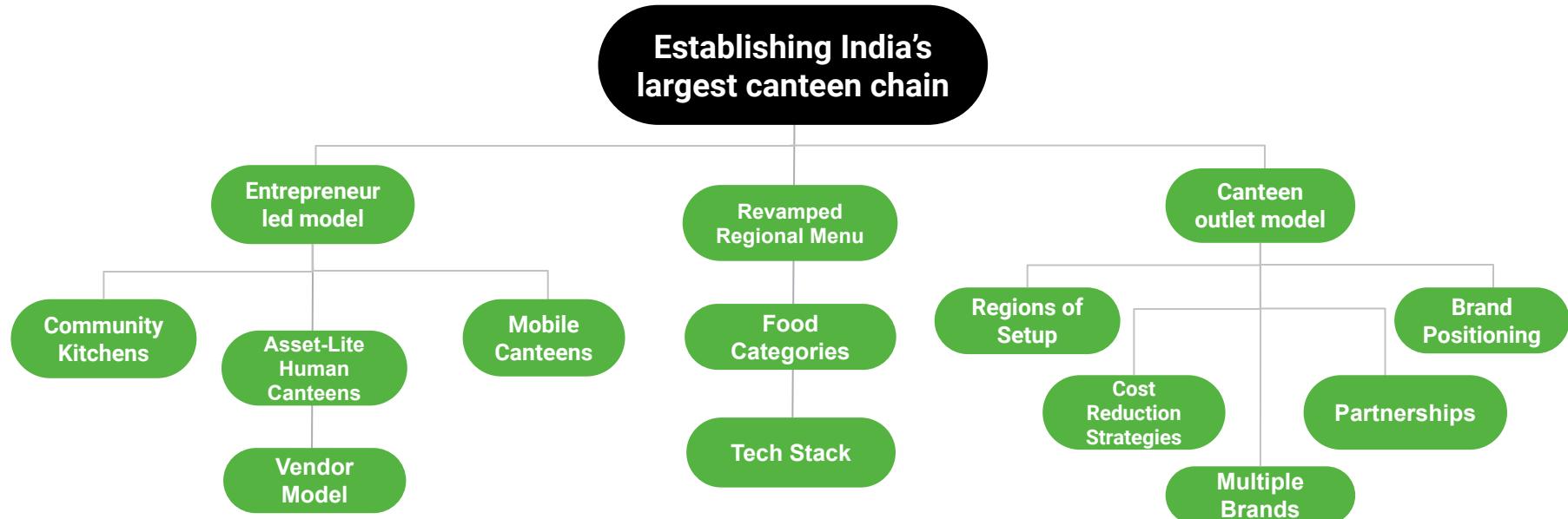
Entrepreneur led model: The basic low-cost entrepreneur-led model can help Sewan expand with lesser funds. As our research shows, there is a huge market and growth space for this model in India. Community Kitchens, Human Canteens, Vendor model and Mobile Canteens can help Sewan diversify its offerings and acquire a larger market share.

Canteen Outlet Model: Establishing canteen outlets require more investments than the entrepreneur-led model. But, these outlets can serve as a cash cow for Sewan foods. There is a need to focus on Brand positioning and partnerships. Sewan Foods can partner with Universities, Hospitals and Corporate Spaces for the establishment of the Canteens.

We have also included a **Hire purchase model** that can substantially defer the cost to make it easier to establish a new canteen. Also, the **Tech Stack** includes the details of the application functioning that Sewan needs.

MECE STRATEGY ISSUE TREE

HYPOTHESIS : The goal is categorized into sub parts, with each having an independent approach so that Sewan is able to channelise it's demands and future prospects



Establishment Strategy : Entrepreneur led Model

ENTREPRENEUR LED MODEL

- Mobile carriers (food trucks)
- Retail stores
- Human canteen model

Points to consider...

- Vicinity to base kitchen
- Efficient handling and distribution of meal boxes



Registrations and licenses for food trucks

- FSSAI registration
- Municipal corporation registration
- Commercial vehicle license

Main target areas are regions with a heavy daily footfall.

- Metro stations.
- The main markets of the cities in Delhi NCR region like **Sarojini market in Delhi, Abulane and Sadar Markets in Meerut, Brahmaputra market in Noida, Qutub Plaza in Gurugram** and others.
- Parking lots of shopping complexes, malls etc.

COMMUNITY KITCHENS

Key takeaways-

- With the advent of Covid 19, there has been an increase in the establishment of community canteens to feed the helpless migrant workers.
- In UP alone, there has been an effort to geotag **7,368** community kitchens across **75** districts producing over **12** lakh food packets a day in the last **18** months.
- This is an exciting opportunity for Sewan foods to enter the community canteen segment.



*We have divided UP into **2 tiers** and done our analysis. We've taken cities from different geographies altogether.*

Parameter	Lucknow	Noida	Varanasi
Area	Central UP	UP West	UP East
Location advantage	Capital city, key healthcare and education hub of the state	Main industrial site in the state and North India, thus lots of corporate professionals and migrant workers	Holy pilgrimage site in addition to being a getaway hub in UP East

Assumptions-

- We've divided the entire population into income segments. Since Sewan's USP is **accessibility & affordability**, we can take Upper class out of the equation. Our main focus should be lower class, parts of BPL (daily wage workers) and portions of middle class.
- India's women participation in the workforce is limited and they generally prefer cooking their own meals. According to our assumption, unmarried males form our target segment.
- **BPL : LMC : MC : UC = 20% : 40% : 30% : 10%**

Unit Economics

Target Population	37 lakh	7.4 lakh + 60,000 migrant workers	17 lakh + 2 lakh pilgrims per month (relaxed conditions)
BPL market segment	$50\text{%(male)} * 60\text{%(adult)} * 7.4 \text{ lakh} = 2.22 \text{ lakh}$ Capitalising 5% of this market = 11,000	$50\text{%(male)} * 60\text{%(adult)} * 1.7 \text{ lakh (1.5 + 20k migrant workers)} = 50,000$ Capitalising 5% of this market= 2500	$50\text{%(male)} * 60\text{%(adult)} * 3.4 \text{ lakh} = 1 \text{ lakh}$ Capitalising 5% of this market = 5,000
LMC segment (salaried professionals in the age group 18-45, married people who live away from their families on low salaries)	$5.5\%(5\%\text{males}+0.5\%\text{females}) * 36\% * 14.8 \text{ lakh} = 30,000$	$6\%(5\%\text{ males} + 1\% \text{ females}) * 36\% * 3.2 \text{ lakh}(3 + 20k migrants) = 6500$	$5.5\%(5\%\text{males} + 0.5\%\text{ females}) * 36\% * 6.8 \text{ lakh} = 13,000$

UC segment (18-40 years which includes students, unmarried working professionals)	5.5%(5% males + 0.5% females) * 30% * 11 lakh = 18,000	6% (5% males + 1% females) * 30% * 2.4lakh (2.2 + 20k migrants) = 3,300	5.5%(5% males + 0.5% females) * 30% * 5.1 lakh = 8,000 2 lakh pilgrims per month. Capitalising 5% of this market= 10,000
Total market Segment	59,000	12,300	36,000
Supply side economics (No. of community kitchens required)	(59,000/75) = 790	(12,300/75) = 164	(36000/75)= 480
Profits made by individual community kitchen owners	Rs 20 (profit per meal)*2*75*30 = 90,000 + miscellaneous earnings (from snacks) Rs 5 (per meal)*2*20(assuming 20 customers visit for snacks)*30 = 6,000 = Rs 96,000	Rs 20 (profit per meal)*2*75*30 = 90,000 + miscellaneous earnings (from snacks) Rs 5 (per meal)*2*20(assuming 20 customers visit for snacks)*30 = 6,000 = Rs 96,000	Rs 20 (profit per meal)*2*75*30 = 90,000 + miscellaneous earnings (from snacks) Rs 5 (per meal)*2*20(assuming 20 customers visit for snacks)*30 = 6,000 = Rs 96,000
Sewan's profit	Rs 5(commission per meal)*2*59,000*30 =Rs 1.67 crore + Rs 2*2*20,000*30 (miscellaneous) = Rs 1.9 crore	Rs 5 (commission per meal)*2*12,300*30= Rs 36.9 lakhs + Rs 2*2*3,000*30 (miscellaneous) = Rs 40.5 lakh	Rs 5 (commission per meal)*2*36,000*30 = Rs 1.08 crore + Rs 2*2* 9,000 * 30 (miscellaneous) = Rs1.2 crore

HUMAN CANTEENS

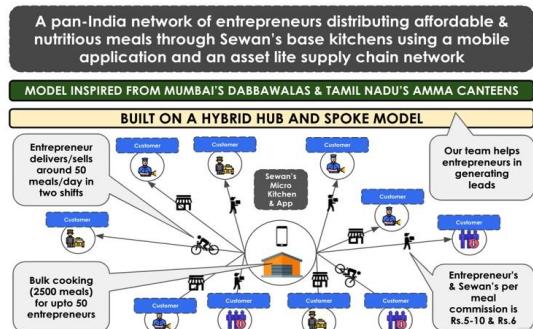
Human canteens are a better option than partnering with established food delivery services like Zomato and Swiggy as these companies charge high commission and the delivery rates are at par with the prices of Sewan's meals.

Assumptions -

- We've divided the entire population into income segments. Since Sewan's USP is affordability, we can take **Upper class** out of the equation. Our main focus should be lower middle class, parts of **BPL (daily wage workers)** and portions of **middle class**.
- In the consumer segment, there would be a greater emphasis on daily wage workers(who fall in the **BPL** category) and **LMC** population who want cost effective food.
- **BPL : LMC : MC : UC = 20% : 40% : 30% : 10%**

*We have divided UP into **2 tiers** and done our analysis. We've taken cities from different geographies altogether.*

*The reason of classification is that **tier 1** cities will attract a larger section of the target customer as compared to the **tier 2** cities.*



TIER 1 CITIES

PARAMETERS	LUCKNOW	GAUTAM BUDH NAGAR
Total population	37 lakh	16.48 lakh
BPL population	7.5 lakh	3,30,300
BPL Customer base	20,000	15,890 (Including migrant workers)
LMC population	15 lakh	6.60 lakh
LMC Customer base	50,000	26,136
MC population	11,10,000	4,94,400
MC Customer base	20,000	19,580
Total Customer base	90,000	62,000

TIER 2 CITIES

PARAMETERS	MEERUT	VARANASI	AGRA
Total population	17.2 lakh	17 lakh	22,61,000
BPL population	3.44 lakh	3.4 lakh	452,200
BPL Customer base	13,000	10,000	13,556
LMC population	6.88 lakh	6.8 lakh	9,04,400
LMC Customer base	27,240	27,00	35,815
MC population	5.16 lakh	5.1 lakh	6,78,300
MC Customer base	20,444	20,000	26,860
Total Customer base	60,684	58,500 = 57,000 + 1500 pilgrims*	76,231

*Varanasi being a pilgrimage site receives an average footfall of **2 lakh** pilgrims every month.

Now these are not monthly subscribers, but they can be our customers on a **2-3 day basis** so we can expect **6000** pilgrims daily. If we can capitalise on **25%** of this segment, we can get **1500** pilgrims as our customers

VENDOR MODEL

Analysis: Uttar Pradesh



LUCKNOW NR RAILWAY STATION

- Number of Platforms: 9
- Number of Originating Trains: 45
- Number of Terminating Trains: 46

TOTAL PLATFORMS: 6

ESTIMATED NUMBER OF VENDORS

WORKING AT BUSY HOURS: 60-70

- Lucknow Nr Chandigarh Express
(Departure: 10:25 PM, Duration: 12 hours)
- Gomti Express
(Departure: 6:00 AM, Duration: 9 hours)
- Lucknow Nr Varanasi Jn Intercity
(Departure: 7:00 AM, Duration: 7 hours)

TRAINS COVERING LARGE DISTANCES

UP-Mumbai: 24 hours

UP-Delhi: 9 hours

Pune-Kanpur: 26 hours

Muradnagar-Agra: 19 hours

MEERUT CITY JUNCTION

- Number of platforms: 5
- Number of halting trains: 117
- Number of originating trains: 10
- Number of terminating trains: 10

ESTIMATED NO. OF TRAVELLERS: 400-500

NO. OF PLATFORMS: 6

ESTIMATED NO. OF VENDORS: 40-50

- Sangam Express
(Departure: 7:00 PM, Duration: 14 hours)
- Rajya Rani Express
(Departure: 7:00 AM, Duration: 8 hours)
- Dehradun Express
(Departure: 7:00 PM, Duration: 19 hours)

Recommendations

- 01 Get authorized with FSSAI and IRCTC
- 02 Advertising on train ticket websites.
- 03 Taking up orders from regular travelers on the Sewan Application.
All the vendors to be linked through the Sewan App.
- 04 Bringing people living near railway stations under Sewan's umbrella.
- 05 The food should be packed, with QR coded price, to ensure that it cannot be tampered with.



Risks!

- Competition from already existing food sellers at the railway station.
- Food delivery options made available on railway stations.

MOBILE CANTEENS

Access to multiple locations at relatively lower prices.



LICENSE REQUIRED:

- Fire Safety Certificate

- Shop and Establishment License

- NOC from RTO

- NOC from Municipal Corporation

- FSSAI Mobile Vendor's License

- Kitchen Insurance



Lower labour and
maintenance costs.



Mobile food trucks can
be useful in getting
catering contracts for
religious events such as
jagratas, etc.



Mobile Canteens can be set up in
outskirts of metropolitan cities,
where people have to face heavy
traffics to reach their favourite
food joints.



Mobile Canteens may be a
feasible solution to the
uncertain future of sit-down
dining and communal eating
services.

Revamped Regional Menu (Canteen Outlet Model)

DIETARY SUPPORT

- Poor maternal health is a big area of concern in India. Data shows that for pregnant women, diet quality improves the most for women in the richest quintile class.
- This suggests that better diets for pregnant women are more dependent on private means than publicly funded initiatives.

Another opportunity for the client to attract this section and make them independent entrepreneurs. A highlight of this problem demands identification, surveying, word of mouth and extensive marketing

NON-VEG VARIANT

- Vegetarianism in India has been gradually becoming less strict over the past 30 years.
- According to a 2016 national survey found that more than half of people aged between 15 and 34 eat meat.

As an opportunity the client can try and include a non - veg variant in the mini meals category to attract the middle class urban institutional workers,, school going / coaching students(assuming to acquire an institutional canteen space near/in an ed hub like Kalu Sarai / Mukherjee Nagar in Delhi)



FULL THALI MEAL

- Vegetarianism is more common among women in India.
- The gap between share of men and women who never eat a particular food item is the highest for fish, chicken/meat and eggs.

This point reserves as both an opportunity and a strength for the client.

Strengthening on more diverse forms of city specific mix - veg items in the

'FULL THALI' category can be a boon .For example -

- A patiala style spicy mix - veg (From Punjab),
- A veg Kohlapuri sabzi (From Maharashtra)
- Kadamba Kootu (Mix- veg from South India)
- A mix - veg Tehri (FROM Uttar Pradesh)

CULTURAL SPECIFIC COMMUNITIES

Focusing on cultural communities and talking about Delhi solely , the client can target CR PARK being a Bengali hub and Karol Bagh and other areas of North and North-West Delhi being strictly Punjabi dominated , thereby introducing community specific meals.

FOOD CATEGORIES

PARAMETERS	CANTEEN OUTLET MODEL	ENTREPRENEUR LED MODEL
Constituents	Institutes,Hospitals, Corporate spaces	Community Kitchens, Vendor Model, Mobile Kitchens
Raw material supply	✓	✓
Packaged meals	X	✓
Snacks	✓	✓
Regional menu	✓	X
App mediation	✓	✓



TECH STACK



WEBSITE



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TECH INVOLVED

- APP ACCESS
- GPS ENABLED SUPPLY
- DASHBOARD
- ORDER STATUS
- REVENUE DISPLAY
- BPO CUSTOMER OUTSOURCED
- NLP ENABLED RECOMMENDATION SYSTEM

DISPLAYS

- BASE KITCHEN UNIQUE CREDENTIALS
- CTA BUTTON
- CHATBOT FOR ASSISTANCE
- LINKED WITH POS SOFTWARE API
- GPS ENABLED SUPPLY-DEMAND TRACKING
- UNIQUE EMPLOYEE AND CANTEEN ID

Establishment Strategy :

Canteen outlet Model

CANTEEN OUTLET MODEL

Universities	Delhi University has over 90 colleges which can be targeted. There are other eminent universities like JMI, Ambedkar University, JNU, IGNOU, DTU, NSUT, IIT Delhi, NIT Delhi, IIIT Delhi among others. Delhi University boasts of over 7 lakh students and considering other universities too, the figure would be way above 10 lakhs. Sewan has already got the first tender in DSEU, and this presents an amazing potential.
Hospitals	Owing to the huge patient influx from Bihar, UP, Haryana and the great healthcare endowment it receives from the Government, Delhi is home to the likes of AIIMS, Safdarjung, Lok Nayak Hospital, RM Lohia, Fortis, Apollo .
Corporate spaces	Delhi being the think tank of the country also has corporate penetration. Leading MNCs like Oracle, Pepsico, Walmart, Samsung have their offices in Delhi. The canteens in these cafeterias are run by cafeteria management companies.



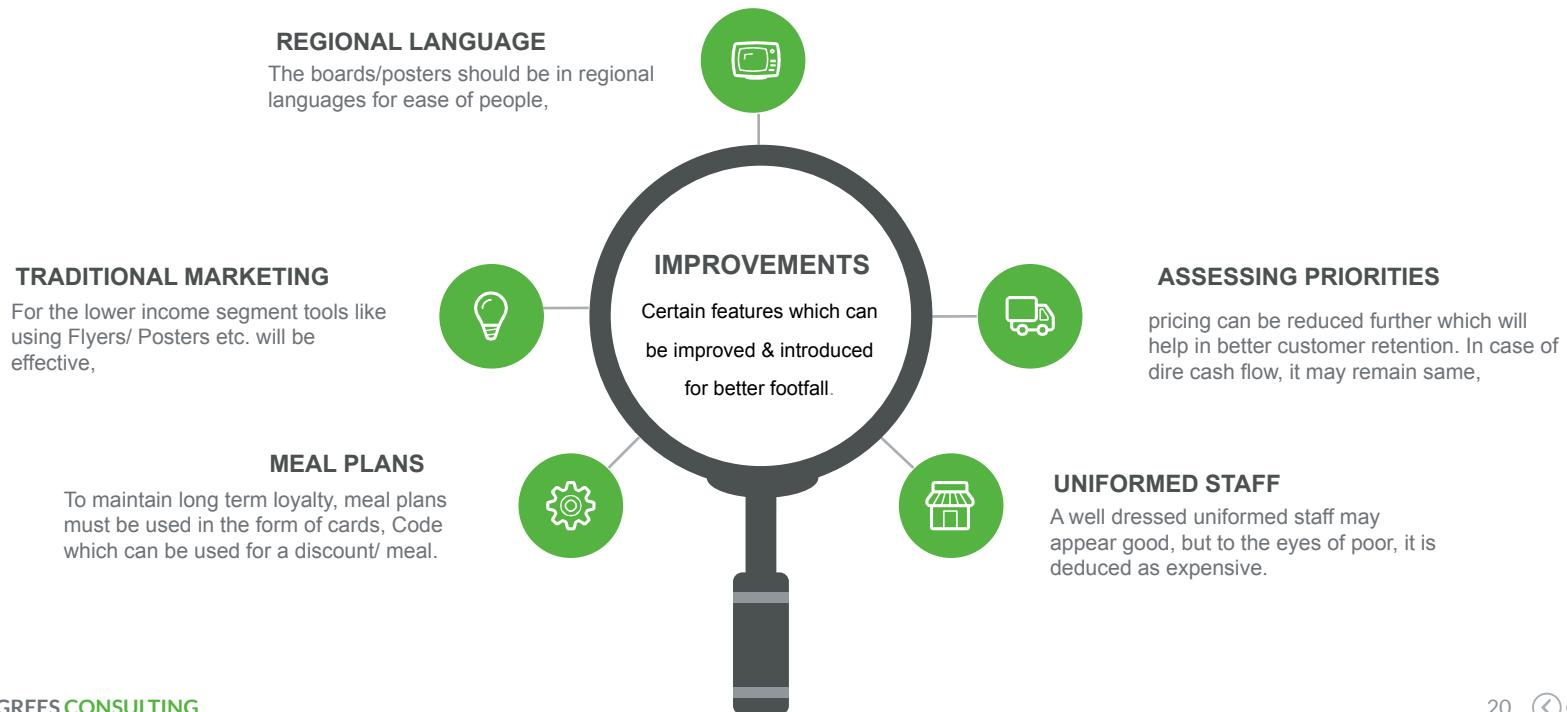
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- FSSAI license
- applying for tender through bids



CANTEENS: IMPROVEMENTS

Marketing Tactics: focused on attracting new partners & customers



BRAND POSITIONING: AMBASSADORS

Marketing Tactics: focused on attracting new partners & customers

As it is a new entrant into the market, Sewan Foods must look forward to smart marketing tactics in order to attract potential Partners as well as customers to the existing canteens.



01

LOCAL CANTEEN AMBASSADORS

Canteen ambassadors can be tasked to bring in the general public to the existing canteens including their friends, family etc. They can be paid via commission/ reaching target.

02

BRAND AMBASSADORS

They will be tasked in finding potential partners for SEWAN & can be paid on a commission basis. Local people in the region must be preferred for this purpose.

03

INCREASE PRESENCE LOCALLY

Ambassadors can be encouraged to work for SEWAN if they can be given a meal program at the local Sewan Canteen. More the ambassadors, more penetrated is the local reach.

04

INCENTIVIZATION

The ambassadors must be incentivized by the head office directly which they can opt either digitally (cash) or by a meal program & small cash incentive.

HIRE PURCHASE COST REDUCTION MODEL

One Year Plan

Investment – Rs. 2,00,000/-

Upfront Rs. 80,000/-

- Charge Rs. 80,000/- in the beginning and provide them with the canteen

Installments Rs. 10,000 + interest /-

- 1 year plan with 12 installments at 10% p.a. each
- Hire charges– Rs. 6,500 approx.

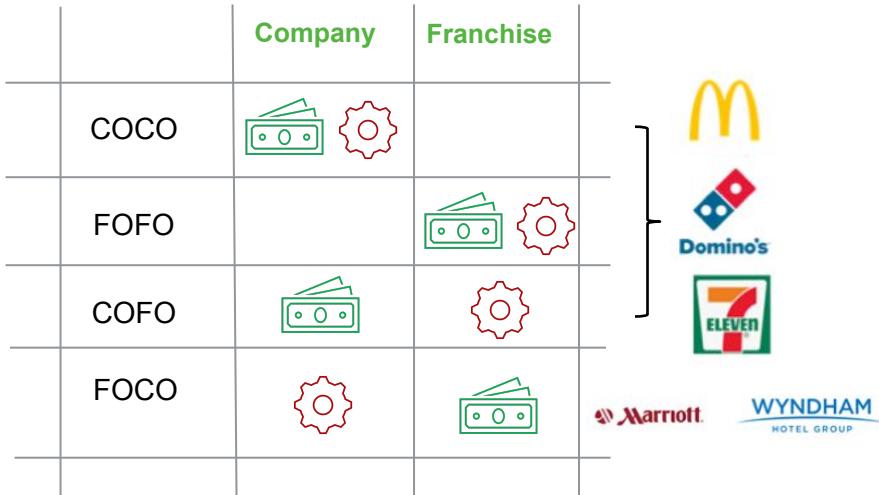
NOTE :

1. Revenue of the partners will be lower by approximately 18% until the installments are paid.
2. Expected revenue for canteen with 150-300 customers is taken for above calculations.
3. Installments are paid at the end of the month.
4. Each installment is equal to Rs.10,000 plus the interest due on the same point.

Installment (EoM)	Amount repaid	Interest	Total amount	Expected Revenue (Net Revenue
Month 1	₹ 10,000.00	₹ 83.33	₹ 10,083.33	₹ 58,892.00 ₹ 48,808.67
Month 2	₹ 10,000.00	₹ 166.67	₹ 10,166.67	₹ 58,892.00 ₹ 48,725.33
Month 3	₹ 10,000.00	₹ 250.00	₹ 10,250.00	₹ 58,892.00 ₹ 48,642.00
Month 4	₹ 10,000.00	₹ 333.33	₹ 10,333.33	₹ 58,892.00 ₹ 48,558.67
Month 5	₹ 10,000.00	₹ 416.67	₹ 10,416.67	₹ 58,892.00 ₹ 48,475.33
Month 6	₹ 10,000.00	₹ 500.00	₹ 10,500.00	₹ 58,892.00 ₹ 48,392.00
Month 7	₹ 10,000.00	₹ 583.33	₹ 10,583.33	₹ 58,892.00 ₹ 48,308.67
Month 8	₹ 10,000.00	₹ 666.67	₹ 10,666.67	₹ 58,892.00 ₹ 48,225.33
Month 9	₹ 10,000.00	₹ 750.00	₹ 10,750.00	₹ 58,892.00 ₹ 48,142.00
Month 10	₹ 10,000.00	₹ 833.33	₹ 10,833.33	₹ 58,892.00 ₹ 48,058.67
Month 11	₹ 10,000.00	₹ 916.67	₹ 10,916.67	₹ 58,892.00 ₹ 47,975.33
Month 12	₹ 10,000.00	₹ 1,000.00	₹ 11,000.00	₹ 58,892.00 ₹ 47,892.00
Total	₹ 120,000.00	₹ 6,500.00	₹ 126,500.00	₹ 706,704.00 ₹ 580,204.00

PARTNERSHIPS: CONSUMER OWNERSHIPS

Looking out for the typical profile of people who will be willing to invest in the business



The COFO franchise model can help SEWAN reduce its operational costs such as electricity, wages and sundry expenses as a franchisee takes care of it. **Here the company manages all the productivity functions, capital expenditure, property deposits, and site selection.**

A franchisor considers this model when it doesn't have sufficient resources to manage the system for its employees. In short, in the **COFO** model, the investment amount is low thus the rate of profit-sharing percentage is also lower for the franchisee.



OPERATED



OWNED / INVESTED

PARTNERSHIPS: CONSUMER OWNERSHIPS

Looking out for the typical profile of people who will be willing to invest in the business



PARTNERING WITH SMALL BUSINESS OWNERS

- 01** Small Businesses are established in the scene where they develop, and they offer back essentialness and food.
- 02** Sewan's partnership with the small business owners can lie based on the initial food cost, safety, health as well as taste.
- 03** The after effects of the Pandemic: strict curfews & increased raw material costs, less customers etc.
- 04** Several problems as given can force a restaurant/food business to go out.



THINGS FOR SEWAN TO KEEP IN MIND

- Identification of the right food opportunity
- The lower the business of competition, higher the bargaining power of Sewan in region
- Conversion of Base Kitchen into a Cloud Kitchen Model: B2C.

PARTNERSHIPS: CONSUMER OWNERSHIPS

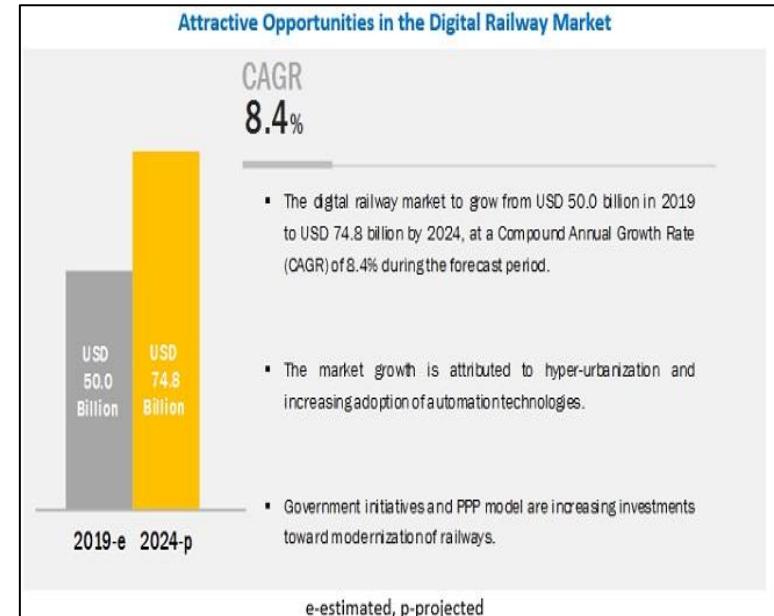
Looking out for the typical profile of people who will be willing to invest in the business



Partnering with NGOs :

One of the main aims of **Sewan Foods** is to increase women empowerment. This objective can even be achieved if we partner with existing **NGOs** and try to hire their crowd and give them decent remuneration.

- There are active opportunities in the railway and transportation sector.
- Sewan foods can adopt the **Production Distribution** model and supply.
- Packaged meals to transportation hubs.
- This sector is monopolised by **IRCTC** and is not penetrated enough by private players.
- The only competition Sewan is going to face is against **MTR and Haldiram's** whose prices are exorbitant.



PARTNERSHIPS- CONSUMER OWNERSHIPS

PARTNERING WITH BUSINESSES THAT PROVIDE TIFFIN SERVICES- *We can look to incorporate individual tiffin services into our network by starting our own targeting students and working population.*

Sewan Full Meal

- **Cost Price** Rs 25
- **Selling Price** Rs 50
- **Profit Margin** 50%
- **Delivery P. :** Rs 8,000 p.m

Monthly Tiffin services

- Monthly Tiffin service prices at Rs 4,000 with 2 meals/day
- Initial 50 Customers
- **Cost = Rs 83,000** → $(25*2*30*50 + 8000)$
- **Rev. = Rs 2,00,000** → $(4000*50)$

Item	Cost Price / meal	Per Day cost @ 50 Customers	Total cost p.m	S.P per customer	Revenue p.m
Sewan Full meal	Rs 25	$25*2*50 = \text{Rs } 2500$	Rs 75,000	Rs 50	$50*2*30*50 = \text{Rs } 1,50,000$
Delivery Charges	Rs 15	$15*2*50 = \text{Rs } 1500$	Rs 8000 (DP)	Rs 20**	$20*2*50*30 = \text{Rs } 60,000$
Total	Rs 40	Rs 4000	Rs 83,000	Rs 4000	Rs 2,10,000 

APPENDIX

- <https://vakilsearch.com/advice/what-licenses-are-required-to-start-a-food-truck-in-mumbai-pune/>
- www.tendersniper.com
- www.sewanfoods.com
- <https://www.irctc.com/catering-and-hospitality.html>
- <https://www.longdom.org/open-access/food-trucks-in-times-of-covid19-an-overview.pdf>
- <https://gbnagar.nic.in>
- <https://www.census2011.co.in/census/state/districtlist/uttar+pradesh.html>



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