Eco Food: Ways to reduce food waste  
Business Proposal (Based on Business Model Canvas)  
Environmental Science



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# Executive Summary

Eco Food’s area of business will focus on two main aspects, which are namely: converting food waste to food for animals and providing consultancy for reducing the amount of food waste of a company—thus achieving circular economy.

This recycled product will meet two critical needs:

1. It will give municipalities a feasible and cost-effective alternative to landfilling and incinerating the waste.
2. It will help address the growing waste disposal problem on Aruba. The material that will be recycled is organic food material.

The end-product will be targeted primarily toward supermarkets, pet stores, farmers, Santa Rosa, Philips Animal Garden and the general public. All of the aforementioned potential consumers will benefit from the nutritious aliment produced for animals while reducing the environmental and health impacts associated with the hazardous waste materials created at the dump site.

Eco Food is entering a niche market in that organic food material has not been recycled on any scale in Aruba or surrounding region as yet. This is a unique and viable concept that addresses the needs of various customers and reaches an untapped market with tremendous growth potential. One of the most attractive aspects is that the business is projected to achieve profitability in the first year of operation. Since we are getting start-up capital from investors, the biggest cost--- Machinery, will be covered. Eco Food is the only business that can offer quality nutritional aliment at a competitive price.

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Eco Food

Food waste is a worldwide epidemic especially in Aruba where hotels and restaurants throw away a lot of food. According to the site (Food and agricultural organization of the united nation, 2017) more than one- third food produced globally is wasted or spoiled. As Aruba is so Americanised, we looked up the details on the food waste by Americans and they throw away up to 40% of the food they buy (Gunders, 2017). The research showed that the organic matter they dump on landfills provides at least 20 % of all methane emissions (Food and agricultural organization of the united nation, 2017). This emission of methane is a potent greenhouse gas that contributes considerably to climate change (Petronizio, 2015). Simply said, when we throw away food that could be eaten, it will rot in landfills and it will create harmful greenhouse gasses who will contribute to the global warming. Already 7 % of all the global greenhouse gas emissions are due to food waste, that means 3.3 billion tonnes of CO2 per year are due to food waste (Parry, 2017) All the energy, water and time that went in to farming the food and transporting it, from farm to plate will have been wasted too. Reducing food waste brings only advantages for companies, for consumers and for the environment. First, money is saved by consumers who buy less food, so only the food that they really will consume. It reduces methane emissions like already mentioned in this section, it lowers your carbon footprint, it supports the community by donating untouched food, that would have otherwise gone to waste, to those who have a smaller food supply. (Reducing wasted food, 2017) For reducing food waste globally investments of time and money will be required, but on the other hand the potential economic and environmental benefits will be really high. The consequence of not taking sufficient action will be serious for everyone, for individuals, countries as for food systems as a whole. (Parry, 2017) Therefore, our group wanted to contribute in taking action to reduce the amount of food waste. We sit together and came up with the idea to reuse the food waste in Aruba by converting it in to animal food.

# Our Company

Our company is called “Eco Food” which focuses on reducing the amount of food waste in Aruba. The mainly focus of the island lies in the tourism sector where there are a lot of hotels who struggles with the amount of waste they daily produce. As we did a couple of interviews with hotel mangers we saw that the waste in general in Aruba is extremely poorly managed. Recycling is something that is almost never or not well done, and the amount of food waste is really big, restaurants, hotels, food trucks but also especially supermarkets have a lot of these type of waste which eventually is dumped on the landfill in Aruba and which releases harmful gasses in the atmosphere. That’s why Eco Food takes action. We focus on two main aspects, which are: Converting food waste in food for animals and providing consultancy for reducing the amount of food waste. Concrete, we will pick up the food from our clients which can be hotels, supermarkets, restaurants but also households and we will transport this to our location where we will collect all food, remove plastic and other non-organic aspects from it and put it in the converter where it will start the process of converting this in to grains for animals. Our second focus is to provide consultancy for reducing the amount of food waste. Food waste will always be present but we think that this can be to a much lesser extent. That’s why we will give workshops to hotels, supermarkets, food trucks and restaurants about preservation methods and give them practical tips. Consultancy about FIFO systems, first in first out will be primarily given to restaurants and hotels so that they will manage better the amount of food they have. We also want to reach schools so that children are aware of the large amounts of food waste we are producing and the effects this have for our community, and the environment.

# Key Partners

**Potential investors:** (potential) investors are one of Eco Food’s Key Partners, as they will aid in the start-up of the business, investors have the unique opportunity to invest in a business that has the potential for growth as well as the drive to help eliminate food waste on the island.

**Suppliers:** machine suppliers, packaging material suppliers are important partners as these relationships need to be maintained in order to perform accordingly and to be able to meet production demands.

**Hotel chains**: Marriott, Hyatt, Holiday Inn, Hilton, Barceló, La Cabana, Tropicana, Divi Resorts and Riu. Eco Food will pick up food waste daily. This is done systematically by throwing all the uneaten/already prepared food of guests into a bin. Eco Food will collect this from them and bring it to the factory to start converting the food into animal feed and dog food.

**Restaurants**: Eco Food will rely on the wine and dine companies that are part of a restaurant group through an already agreed upon partnership: Moomba Beach, Hadicurari, Nos Clubhuis, Café de Plaza, Tango, Salt and Pepper, Sopranos, Fishes and More and Dragonfly. Eco Food is also open to having individual restaurants as customers and has established contact with other restaurants. However, these relationships are still in the negotiation phase. The idea is for the restaurants to put their food waste in bins or barrels (depending on volume) to be picked up every day. Eco Food will help restaurants eliminate food waste by picking up (un)prepared food that is normally thrown out.

**Supermarkets**: Superfood, Ling & Sons and all the Chinese (small) supermarkets on the island. These supermarkets have high amounts of food waste each week, also when products are not sold on time and it passes the expiration date it will often be thrown out. Food waste will be picked up daily. In addition to providing supermarkets with food waste collection services, Eco Food aims to provide these same supermarkets with quality animal feed and dog food.

**Pet Stores, Farmers, Santa Rosa, Veterinary Clinics, Animal Shelters, Specialty Stores, Phillip’s Animal Garden, Ostrich Farm, Donkey Sanctuary and private animal owners:** these are also key partners as they are the ones that will be most likely to purchase animal feed and dog food. These are all organizations that aim to provide animals with the best nutritional options on the market.

**ATA, AHATA, Bucuti Hotel, EcoTech, Serlimar, other waste handlers:** these are all local-based companies that have mutual interests: these organizations can benefit from a partnership with Eco Food as most of them promote sustainability and would like to contribute to a sustainable island with sustainable tourism. These partners are attractive for Eco Food as they have a wide array of contacts and offer networking opportunities to acquire additional clients.

EcoTech, Serlimar and other waste handlers provide the opportunity for collaboration in the future, can be done by doing business together or by working together on awareness campaigns.

# Key Activities

Eco Food will have a variety of key activities in order to run the company. Eco Food will conduct counseling to companies who work in the food sector. It will also present workshops on the subject discussed in counseling. Eco Food will provide its clients with bins in order for them to provide us with their food waste. The bins will be picked up and start the process of converting the food into animal feed. When finished, the food will be packaged and distributed. Eco Food will be able to do all this with background education regarding these subjects and constant research to better the waste management in the kitchen.

## Food safety and hygiene counseling

Eco Food recommends using a Standard Operating Procedure (SOP) for the purchasing of the food. The reason for doing this is to prevent contamination of food and to ensure safe foods are served and sold to customers by purchasing food products from approved suppliers. “These supplies must be approved by appropriate regulatory services” (Paster, 2007). The next SOP is for the receiving of products. “The purpose of having an SOP at this time is to ensure that all food is received fresh and safe when it enters the foodservice operation and to transfer food to proper storage as quickly as possible.” (Paster, 2007).

First in First out (FIFO) method is a procedure of inventory valuation. “It is a cost flow assumption that the first goods purchased are also the first goods sold” (Bragg, 2017).

There are 4 major advantages in using this method; First, it is that it is easy to apply, second, the assumed flow of costs corresponds with the normal physical flow of goods, third no manipulation of income is possible, and fourth the balance sheet amount for inventory is likely to approximate the current market value (Unit 7: Inventory Valuation Methods, 2017). The company can choose to either work with a periotic inventory system, which is a system that you only count your inventory at the end of the month and this is done physically, making this system very time consuming. Or the perpetual inventory system, this system is recounted every time a new order comes in and when a product has been removed from the inventory and even when a product has been relocated in the inventory, meaning that it is updated constantly. Another method is “Last in first out” (LIFO) method, this procedure is basically what the company ordered is also the first good sold to clients. “The LIFO method is used to place an accounting value to the inventory. The LIFO method operates under the assumption that the last item of inventory purchased is the first one sold.” (Bragg, 2017).

## Preservation Method

Drying is a preservation method where you remove the moisture content of the food. This method is frequently used for preserving meat, fruit and vegetables. Freezing is another method where lowering the temperature helps the food preserve longer and not being rotten because the environment makes it unsuitable for macro bacterial to grow. A third technique we will recommend is canning where we place the food in airtight containers, so micro-organisms don’t have air and will die, so the food preserves longer. Sugaring is another method used for preserving fruits in sugary syrup, which makes sure the food is in that way dehydrated and preserved better. The salting method, which also draws out the moisture from the food as from the food cells of the micro-organisms, is often used when preserving meat. The last method is pickling which involves dipping the food in a liquid chemical, which prevents the growth of any further micro-organisms and makes sure the food is still edible. This is often done with cucumber, beef, peppers and some vegetables. (Top Tips on Reducing Food Waste, 2014).

## Food bins & collecting procedure

ECO Food will provide its customers with “outdoor Rubbish Bin Large Plastic storage wheelie bin with wheel” for their food waste. (waste bins, 2017) The clients will also receive a workshop on how to recycle the food waste. The kitchen must have small storage bins with biodegradable liners. Eco Food will pick the bin up. Food that can be thrown in the bins are: leftovers, uneaten food and plate scrapings, dairy products and eggs, bread, cakes and pastries, raw and cooked meat and fish, including bones, raw and cooked vegetables, fruit, peelings, grains and pulses including rice, pasta and beans. These are not allowed in the bins: packaging, food and drink cartons, plastic bags or bin liners, garden waste and/or nappies (What you can put in your food waste bin, 2017). The bins will be collected on their scheduled day, Eco Food will use the “H100 Refrigerator” for the picking up of the bins. (Pricelist Commercial, 2017)

## Food waste to Animal Feed

To convert the food waste into animal food Eco Food will do this with the help of mechanical systems (motor, mixing drum, piston, mixer, conveyor system) and chemical reagents. (Kumar, Praveena, Kumar, Vijith, & Bohara, 2016). The machine that Eco Food will use is the “Feed pellet plant” in the model of “2 TPH feed production” which is widely used to make feed pellets by people who breed chicken, rabbit, cow, sheep, cattle, pig, and so on. The reason why Eco Food uses this machine is that pellets are a balanced combination of different kinds of nutrition for the better growth of livestock, poultry and other animals (Feed processing machine, 2017). “There are many equipment included in a complete feed pellet plant, for example: Hammer Mill, Mixer, Cleaning Sieve, Silo, Feed Pellet Mill, Counterflow Cooler, Feed Pellets Crumbler, Feed Pellets Grading Sieve, Automatic Weighing and Packing Machine, and Conveyor” (Feed processing machine, 2017). After the food waste has been converted and packaged it is ready for delivery. Eco Food will use “H100 Cargo Bed” for the delivering of the food waste (Pricelist Commercial, 2017).

# Value Proposition

Eco Food brings value to its customers by selling a product, animal food, which is sustainable. By purchasing Eco Food products, you will contribute to reduce the amount of food waste in Aruba, you will help to reduce your carbon footprint, and you will eventually help the environment by reducing the greenhouse gasses, which ensures the global warming.

Eco Food gives a second life to food waste. Not a lot of people think that this can be recycled. By reprocessing this in food for animals Eco Food gives customers an opportunity to contribute in their process to reduce food waste and go for a zero-waste approach. Eco Food’s products consist of grains for farm animals as well as pet food so agricultural customers as well as individual customers could buy the product.

**Why should people and farmers buy Eco Food products and not from competitors?**

In Japan there is a firm established in 2008 by Risa Maeda, she claims that the converted animal food is a large success in Japan. There is an increasing demand for recycled food because it tends to be about fifty percent cheaper than standard animal feed. (Alpert, 2009) She also states that people tend to like the pork better, who has been fed by the recycled food, because the food causes the pork fat to taste sweeter than regular animal food. She also states that the recycled food causes the hens to lay more eggs (Alpert, 2009). Some people will maybe doubt to buy Eco Food products because they are afraid of the outbreak of diseases by giving this type of food to animals. This however is impossible because the organic waste that will be processed as animal food is highly regulated and processed. Check-ups will be done each time the food goes out.

On the other hand, Eco Food will also create value for hotels, restaurants, supermarkets, because they will be provided with bins and pick up of their food waste every day. Hotels for example, save money as this requires no extra labour costs for them, in the long run they will save money as the amount of food that is being wasted will diminish or be eliminated completely while contributing to the overall sustainability of the island. The recycle process will not disrupt their normal routine, as they simply need to place the food waste in the bins, instead of dumping it on the landfill, because dumping it there is no long-term solution of disposing waste (Alpert, 2009).

The last way in which Eco Food creates value for its customers is by offering consults about food waste management to make people aware of the effects this has and give them tips and preservation methods to inhibit food waste as much as possible. Like already mentioned in this paper, consultancy of FIFO and LIFO will also be given by Eco Food to companies who work with food.

# Customer Relationships

Building customer relationships through channels that have mutual interests:

* Eco Food aims to acquire customers through its Business Alliances: AHATA, ATA and Bucuti have a large stakeholder database and these alliances provide Eco Food with the opportunity to network and acquire more customers through trustworthy and valued contacts
* Eco Food aims to provide personal assistance to its customers with the objective to establish long-term relationships and retain them in the future
* Customers and potential customers will receive dedicated assistance with inquiries, selection and delivery
* Eco Food aims to build and keep customer relationships in the future by having customers and interested parties help with co-creation: *provide ideas to reduce food waste in the future, ideas for manufacturing, ideas for workshops and expanding services offered*
* Eco Food aims to educate the community on food waste, food preservation and storage methods, food waste conversion and recycling with the objective to increase community awareness, and as a result increase community wellbeing by offering quality animal and dog feed that will make for happier animals, which lead to happier and healthier humans (through consumption).
* Eco Food aims to acquire and maintain relationships with customers by providing specialized services that are not being offered, or have limited amount of customers
* By maintaining the proper customer relationships and engaging the community, Eco Food aims to reduce hunger through less food being wasted, reduce food waste and reduce consumerism around the world.

# Customer Segments

Eco Food’s products, the animal feed, will be sold to the tourism market and retail businesses, as for the fact that tourism market is consist of businesses that cater to the tourism sector such as supermarkets, Santa Rosa, Ostrich Farm, Philip’s Animal Garden, Donkey Sanctuary, pet stores and people who have cattle, horses, chickens etc. Eco Food will focus on these customer segments making it a way to target a more mass market by catering to the larger population. Eco Food will focus on these customer segments because they will benefit more from the products. The people or companies that will buy the products are people that have a pet and want to feed them with a healthy food. These people are also very sustainable, they care for the well-being for everyone around them and the well-being of Aruba. The demographics does not count here. These people are people that will pay the amount asked because they know that it is a healthy alternative, the quality and ingredients, for their pets instead of buying another brand. These are the reasons that the big companies (supermarkets, farmers & supermarkets) will buy from Eco Food.

# Key Resources

The material resources used in the production process of the products are as follows:

**Food:** In nature, one species’ waste is another’s good, so that nothing is wasted. Rather than disposing of valuable organic material; food material that will be collected are: uneaten food and plate scrapings, leftover dairy products, eggs, bread, cakes and pastries, raw and cooked meat and fish, including bones, raw and cooked vegetables, fruit, peelings, grains and pulses including rice, pasta and beans.

**Machines:** There are many equipment included in a complete feed pellet plant, for example: Hammer Mill, Mixer, Cleaning Sieve, Silo, Feed Pellet Mill, Counterflow Cooler, Feed Pellets Crumbler, Feed Pellets Grading Sieve, Automatic Weighing and Packing Machine, and Conveyor. The feed pellet plant is widely used to make feed pellets for livestock such as chickens, rabbits, cows, sheep, cattle and pigs. The pellets are a balanced combination of different kinds of nutrition for the better growth of livestock, poultry and other animals such as dogs.

**Transportation:** The H100 ‘bakkie’ is aimed at small business operators in need of a versatile and reliable vehicle to facilitate their daily operations which is ideal for the business. This 1.3 Ton workhorse is well-known in its model range. It has up to 1 Ton capacity with dual rear wheels. The Hyundai HD 45 is fully air-conditioned and has a 2 Ton Cargo Capacity Power Steering. This truck will be used to transport the organic material from customer segments.

**Database for customer segments:** Customer segmentation is essential to successful database marketing. The key customer segments are; Supermarkets such as Superfood Ling & Sons and Price Smart; Pet Stores such as Just 4 Pets, Peeps n Blubs, Philip Merryweather, and Santa Rosa.

# Channels

Modern society produces far more waste today than ever recorded in history, this is why it is essential for us to ensure that our customer segments as well as consumers understand the importance of reducing, reusing, and recycling waste in our community. The first phase of the promotion involves informing the community and potential customers about the products we offer and how beneficial it is for the environment and how they can save money. The second phase consists of mostly promotion- retaining consumers and building recognition throughout the community. The purpose of the second phase is to ensure long-term growth and help propel us toward achieving our end goal of lessening Aruba's waste production by utilizing food waste-- while providing nutritious aliment for farm stock as well as dogs on Aruba.

First Phase Promotions Publicity: Leading up to the grand opening, there will be several press releases inviting all of the major media sources on Aruba. Publication of news articles about recycling and the green movement will lend great credibility and be an excellent way to let all target markets know about the new innovative business and how it aids in reducing the environmental and health risks associated with the hazardous waste materials in the Aruban community.

Advertising: Direct mail and face-to-face promotional strategies will be used to raise awareness about products and services in the customer and consumer segments. Newspaper advertising, radio and television advertisements are also considered in the long-term plan of the company. Internet: A content heavy official website will be launched geared towards educating the potential customers about the benefits the products and services. Products will be available for purchase via the website as well as booking consultancies and subscriptions. The company will have several social media platforms such as; Facebook, Instagram, Twitter, Linked in, and Pinterest. The platforms will be used to keep the general public as well as customer and consumer segments well-informed about products, what the company is up to, as well as different tips and ways to engage in reducing waste in the consumer household. All business cards, and literature etc. will include website and e-mail address information as well as social media platforms being used by the company.

Second Phase Promotions Publicity: As the business grows and expands online as well as offline publicity will continue work to the successes of the company. Advertising: The Direct ‘face-to-face’ contact with customers and potential customers will be maintained. Mail-outs will be done within a few months of startup and every six months after that. The second round of mail outs will be updated to reflect the benefits provided to customers thus far. Such mail-outs will be sent periodically as aforementioned. Internet: The website will be updated to provide responses to frequently asked questions. After the first six months, and certainly after the first year, an evaluation of the viability of having target clients advertise on our site, and conversely, evaluate the viability of advertising on our target clients’ websites (if applicable).

# Cost structures

## **Fixed Capital**

1. Land & Building: Storage space, factory space, along with office area on rent
2. Machinery & Equipment

|  |  |  |  |
| --- | --- | --- | --- |
| Description of Machine | Quantity | Amount in US$ | Amount in Afl |
| Hammer Mill | 1 |  |  |
| Feed Mixer | 1 |  |  |
| Feed Pellet Mill | 1 |  |  |
| Counter Flow Cooler | 1 |  |  |
| Feed Crumbler (Roller Crusher) | 1 |  |  |
| Pellet Packaging Machine | 1 |  |  |
| *Total price for producing plant* |  | **$ 19,553** | **Afl 35,000** |
| Office Equipment (laptop, software & printing equipment, paper, envelopes) |  | $2,500 | Afl 4,500 |
| Truck (Refrigerated for pick up services) | 1 |  | Afl 47,500 |
| Cargo bed truck for delivery and dry pick up | 1 |  | Afl 32,500 |
| Food Waste *Bins* for small quantities (Based on wholesale price for 100 bins at $15 per bin) | 100 | $1,500 | Afl 2,700 |
| Food Waste *Barrels* for large quantities (Based on wholesale price for 30 barrels at $115 per barrel) | 30 | $3,450 | Afl 6,210 |
| Electrification and installation costs |  | $1,000 | Afl 1,800 |
| Total |  |  | **Afl 130,210** |

1. Preoperative expenses: legal, establishment, telephone,   
   electricity connections etc: Afl 10,000  
   TOTAL FIXED CAPITAL **Afl 140,210**

### Fixed Capital Cost Breakdown:

Trucks  
1. Refrigerated truck for pick up: Afl 47,500 (Hyundai Commercial Fleet, 2017)  
Hyundai H100 available at Garage Centraal

2. Cargo Bed truck for delivery of bins or dry food pick up: Afl 32,500 (Hyundai Commercial Fleet, 2017)  
Hyundai H100 available at Garage Centraal

For product specifications: (Commercial Cargo Movers H100, 2017)  
  
Food Converters   
2 ton per hour Small Animal Feed Plant $19,553 -> Afl 35,000 (GEMCO 2 ton Animal Feed Plant, 2017). GENCO Energy & Technology (available on Alibaba or Direct), based in China.

Bins and Barrels  
100 bins wholesale price: $1,500 / Afl 2,685 ($15 per bin / Afl 26,85 per bin) (Rubbish Bin Outdoor Wheelie, 2017)  
30 barrels wholesale price $3,450 / Afl 6,175 ($115 per barrel / Afl 205.85 per barrel) (Gold Supplier 660 L Storage Container Plastic, 2017) Available through Alibaba

## Operating & Maintenance Costs

|  |  |
| --- | --- |
| Description of Cost | Amount in Afl |
| Packaging Material (bags, logos and stickers) | Afl 550 |
| Transport Costs (for distribution) | Afl 1,050 |
| Labor Costs | Afl 27,000 |
| Marketing (advertisement, promotion, publicity) | Afl 3,650 |
| Utilities | Afl 1,750 |
| Rent | Afl 10,000 |
| **TOTAL Operating & Maintenance Costs** | **Afl 44,000** |

Packaging Material  
-Logo’s and nutritional information (print on stickers) Afl 350 per month (we print them ourselves, costs include stickers, printing ink)  
-Bags (biodegradable) Afl 200 per month based on Biodegradable bags on Alibaba (Biodegradable Sealable Bags, 2017)  
**Total Packaging costs: Afl 550** per month  
  
Marketing Costs  
Branding costs: Afl 1,000 (letterheads, logo, business cards)  
Website costs: free (WordPress)  
Social Media: Around Afl 350 per month (for sponsored posts on different platforms)  
Advertising & promotion: Around Afl 550 per month (including targeted ads on relevant sites), advertisement through word of mouth, through alliances (partnerships such as AHATA, ATA, Bucuti Hotel) AHATA’s Mass e-mailing  
Promotion in newspaper Afl 1000 based on a ½ page ad (Diario, BonDia) (once a month)  
 Afl 750 based on ¼ page ad (once a month)  
Press Releases: Free   
**Total marketing costs: Afl 3,650** per month  
  
Transport Costs  
-Cars have diesel engines: based on amount of mileage per day (around 10-15 clients per day) would be approximately Afl 25-40 per day, take Afl 35 per day x 30 = **Afl 1,050** per month (more or less) for distribution purposes  
  
Labor costs  
2 employees for pick up duty (minimum loon Afl 1800) = Afl 3,600 per month  
2 employees for bringing back bins (minimum loon Afl 1800) = Afl 3,600 per month  
line employees (plant) 5 (minimum loon Afl 1800) = Afl 9,000 per month  
sales team 2 employees (minimum loon + sales-based commission) = Afl 3,600 per month + monthly sales commission (4%)  
administrative team 2 employees Afl 2,000 = Afl 4,000 per month  
**Total employee costs: Afl 27,400** (per month) (13 employees total)

Utilities  
Internet and telephone: Afl 250 per month (Setar)  
Water: Afl 500 per month  
Electricity: Afl 1000 per month

INTERNAL: Employee training costs (for starting up) = Afl 500 (food and drinks)

External employee training:  
Workshops: Afl 75 per employee (10 or more)  
 Afl 100 per employee (less than 10)  
Training: fixed price, 1 session = Afl 150 per hour (based on consultancy price).

# Revenue Streams

## Types of revenue streams

\*Transaction Revenues: made from revenues that are earned from customers making a one-time payment for a product (dog food, animal feed) or service (workshop, consult).  
 \*Recurring Revenue: earned from subscriptions (waste management: pickups, delivery of bins) and for services rendered per month, these may include monthly workshops, trainings, or monthly consults to any client.

## Pricing Mechanism

\*Fixed Pricing mechanism: the pricing is fixed based on subscriptions (6 months subscriptions and 12-month subscriptions. Clients have two options when choosing their subscriptions, first they must select the right kind of food waste storage bin or barrel: restaurants with low waste volumes should opt for two bins. Hotels or restaurants with high waste volumes should opt for two barrels. Secondly, they must select whether they want a 6 month subscription or a 12 month subscription. The 12 month subscription results in saving a monthly fee.

Bin cost = $15 so 26,85 x2 = 53,70 florin   
Barrel cost= $115,- x 2= $300= 537 florin

Transport cost= based on 10-15 clients 1050,- on average gasoline cost per month Per client per month 70 guilders

Barrel package (2 barrels per month):

-6 month contract= 537/6= 89,50+ 70(transport)=159,50 per month.

-1 year contract= 537/12= 44,75 + 70 (transport)= 114,75 per month.

Bin package (2 bins per month):

-6 month contract= 53,70/6= 8.95 + 70(transport)= 78,95 per month.

-1 year contract= 53,70/12=4,48 + 70(transport)= 74,48 per month

Consultancy prices: Eco Food will begin with low fares (compared to industry standards) as a way of attracting initial customers. The consultancy fee is set at Afl 150 per hour per consult and may go up from there (Sandlin, 2017).

Workshop prices: Afl 75 per employee (10 or more). If it is done in a big company for a lot of employees, then they will get a discount. 100 florins per employee, when there are small groups of minimum 5 people and less than 10.

Trainings: We will offer trainings that will have the same price of consultancy: Afl 150 per hour per training.

Animal Feed and Dog Food prices: Dog Food will have a higher rate than the standard rates for generic or brand name dog food since Eco Food produces quality, organic dog food which are beneficial for dogs and it has a higher quality then regular dog food. The average price for dogfood on Aruba is: Afl 22,- for 3,5 kilograms. Eco Food will ask for 25 guilders for 4 kilograms, 2 kilograms for 15 guilders (somewhat more expensive so they will prefer a bigger bag) and 10 kilograms for 65 guilders, with the bigger option resulting in saving money. Selling Animal food (to local farmers): We will sell them in packets of 10 kilos for 50 florins. Based on average of Aruba (45 florins for 10 kilo’s).

With these revenue streams we will cover up our monthly costs: Labor, Utilities, Transport, Promotion, packaging and maintenance. And with time we will start raising our prices. Eco Food is asking for a total investment of Afl 250,000 to cover start-up costs (equipment, trucks, legal, and other costs) of Afl 184,210 with Afl 65,790 over to cover any costs or to have as a reserve.

# Conclusion

By following this plan, Eco Food aims to meet its financial goals. By providing specialized services in food waste management, food handling and preservation and producing quality animal and dog feed from recycled food waste for farmers, pet owners, farm owners and animal establishments, Eco Food aims to establish itself as the market leader on the island. Eco Food is asking for a total investment of Afl 250,000 and the combination of passion for the industry combined with specialized services makes for a unique opportunity to capture engaging customers who want to help eliminate food waste, therefore having an attractive return on investment. Take this exciting opportunity to get in on the ground floor of a company with growth potential, invest in Eco Food now!

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