Project Proposal for Order, a point-of-sales interface for mobile restaurants.

Group: Christian Bilke, Jeremy Kelly, Brian Clark, Tylor Jones, Alex Mensen-Johnson, Joseph

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II.   <u>Summary</u>

Our product aims to be the intersection of a high quality digital front-end to an agile and effective back-end technology for food service retailers that are more budget-restricted (such as food-trucks and other mobile eateries) than other established competitors in their industry (the typical restaurant or corporate franchise). This intersection gives them versatile technologies in a digital menu and ordering system that appeals to a modern market while also reducing their front-end costs and potentially their labor costs. At the same time, the product would offer integration into already existing point-of-sales system (Square™) and provides other features that could be of use to the business.

Within our key market we find that the image of food-trucks and mobile eateries has recently improved dramatically. These businesses are no longer seen as subpar quality, and often have high internal standards for quality as well. This is partially driven by a new customer base that includes millennials and younger customers. Quick eating and value for their purchases are proving much more important to this consumer class, diminishing the values of appearance and stature that were more important motivators to older generations. With this, it is important for these businesses to brand themselves towards this younger generation and appeal to their interests and uses. Our application blends this convenience and simplicity of style with solid business functionality to simplify the order expediting process and even provide support for back-end accounting.

The value added here is that a business can have a digital interface, reduce their costs to operate both in initial capital costs and over the long run while also offering them a technically savvy and modern image to their growing customer pool.

Our application crosses over many technologies of several different competitors and though it will rely on available plugins from Square™ to fill in the gaps of our backend functionality, we aren't directly competing with any business and can find our niche and market value in being the intersection of many technologies necessary for a business to succeed and thrive.

III.   <u>The Vision</u>

Our vision revolves heavily around reducing the complexity and time it takes to get through ordering at these mobile eateries. Rather than relying on typical methods like cashiers to take orders and payments before an order is ever processed and sent off to be prepared, our app offers an easy-to-use interface and system to circumvent that system entirely. Once our application is integrated, the customers that arrive at a business using our technology simply need to pull up the interface

from their mobile device and will browse the menu and place their orders directly from their device. There's no need to interact with a cashier, no awkwardness in placing an order or wasting other people's time to place your order first. It's all done through the application and as soon as an order is paid for, it's sent directly to the chef to be prepared exactly as you ordered. The time-savings of the application is even more apparent with busy businesses. The benefits of allowing customers to quickly make an online order with a few taps, without needing to wait on previous customers to finish the same process reduces the time of order placement to the time it takes for a customer to confirm their order through payment. This means that the overall time to order is greatly reduced and the total time to receive food is reduced as well.

Add into this the potential savings an integrated point-of-sales system adds and a business can call this a 'win' on many different fronts. Being able to log inventory and keep records of payments at the same time offers a business without those resources a much more efficient and usable system than traditional methods (counting inventory and keeping paper copies of every receipt sent through the business).

IV.   Available Market

The current gap in the market revolves around the lack of technologies that integrate both sides of the business as well as focusing on their external features. A good example is Tapingo™ revolving around being an ordering platform for businesses to reach to their customers but failing to really be a of value beyond being the ordering platform for those businesses, as well as the back of house point-of-sales and other systems revolving entirely on that and not revolutionizing how those functions are used. This lack of crossovers makes us a critical entry-point for a market that is plagued with multiple competitors that subdivide different sides of the business. Our application splits that difference and offers businesses a single solution and application to address their needs on both sides of the business.

V.   The Market's Needs

The needs of the market revolve very highly around trends and using versatile technologies with low overhead. These businesses rely on very tight budgets with very thin margins on top of that. Due to this, systems that don't take a lot of effort are essential in keeping the business viable and functional as they move forward. Beyond that, image is everything and a trendy application that

matches their thematic or is visually appealing becomes a high priority for any application that interfaces with their customers.

VI. Implementation

Our implementation is going to revolve around two focuses. The first, being the customer-facing interface and the second, is going to be the inventory/back-end system that relies on integrating the Square™ system into our application as well. With the customer side of the application, we hope to create an incredibly simple and easy-to-use interface that won't require a detailed explanation or any real complexity to the businesses to offer to their users. On the business side of the application, the back-end connections allow them to take online payments and handle their inventory and receipts to streamline the management and accounting side of their business.

We'll use a system like Square's™ payment system to offer ours by attaching a small cost per transaction handled by the business using our system. This lets us be versatile and offer a low-cost product for those businesses that may not be performing as well but scales up as their business does. It offers businesses low-cost early in their startup and they never pay disproportionately for our service as their business grows.

VII. Problems

The largest current problem we look to address with our application is an integration that allows for a single technology to address areas of a business that previously required multiple technologies to achieve. Either a business doesn't use an advanced point-of-sales system and their efforts and stress from keeping up with that work by hand is increased or they may use traditional cashiers and their labor costs, as well as the experience around their business is dwindled. Individually there are many applications that will address either side of the business and offer a menu for customers to interface with digitally or will use an electronic point-of-sales system but there are no readily available applications which attempt to properly combine both technologies in one package for businesses to use.

VIII. Solutions

Our application will serve as the connection between this technology by offering a functional digital user interface for customers to use our advanced point of sale system, while also connecting a back-end that streamlines the business side of each establishment as well. Our application will

provide a solution to the problems outlined above while also serving to keep their costs down compared to competing applications while also being a single technology in the place of using multiple others, which would also save the business money in the long run.

IX.   Industry Needs

The first and largest need of any industry, especially with one that has margins as thin as food service, is to keep their general operating costs down as much as they can. Upfront costs are relatively low compared to other industries, but food service has much thinner profit margins in turn and their operating costs are much higher for their size than compared to other industries. Keeping costs down is essential but also having technologies that are easy to use by low-skill workers who live off of minimum wage and often aren't college educated. Because of this, any technology and system implemented needs to be easy-to-use by a large amount of people and compensated away from the technically savvy towards a more general audience.

In food service as well, image plays a major part in their business model and many focuses are on singular gimmicks to draw customers into their stores. The large appeal of food trucks is their ease of access, the quickness of which an order can be placed and received, as well as the value for each purchase made. With this, their menu and appearance tend to match the theme that their business builds about themselves and become a key part of each customers general experience.

X.   Market Analysis

In our market analysis and research, we found many simple and previously discussed truths. The keys of which can be focused into a few simple key phrases: our application would need to be efficient, our application would need to keep costs down, and the application would need to be easy-to-use. Currently there are a few competitors we found that work as a mobile point-of-sales system including Square™, ShopKeep™, Revel™, and Touchbistro™. On the other hand, there are a few companies that have begun to enter the customer-facing side including Tapingo™ (which is a menu for customers to place orders at restaurants exclusively), Waitr™, and UberEats ™ (which are both delivery services for customers to receive food rather than interfaces for the businesses themselves).

XI.   Primary Market

Our primary market focus will be on food trucks that have less budgetary room to implement these complex and valuable systems. With our application we'll be able to fully utilize the

focus of a trendy and customer-focused interface to provide a service for their customers while also aiming to majorly reduce their operating costs over the long term. In addition, our product will scale up in cost as they make more, making it more financially viable for a larger range of businesses and still reduce their costs over having multiple systems to accomplish the same tasks.

XII. Market Size

The market we discovered is estimated for food trucks alone to be somewhere in the range of $800M per year to over $1B per year in 2014. We also discovered information that shows the average recent growth in the industry sat at an incredible 7.3% annually. There are approximately 4,000 individual food truck businesses in the United States that employ around 14,000 people. These trucks average around $10 per order around lunchtime and increasing to $15 around dinner with a true average being around $12.40 in 2015. With these numbers, food trucks also can bring in somewhere between $5,000-$20,000 of revenue per month and typically employ 3-4 people per truck (including the owners).

Beyond that, their customer base seems to be much younger than the average industry with 47% of millennials saying they have eaten at a food truck according to one survey while older generations tended to have much more negative views of these establishments.

XIII. Secondary Market

The secondary market that we'll be able to target is going to be a more general use of our application for any food service business (restaurants, delivery services, etc…) that could rely on streamlining the connection between their ordering system and their point-of-sales system at the same time.

This secondary market also extends to nonfood service business as well (Hair Salons, Day Spas, Car washes, etc.). Any business that offers goods or services through a menu selection can benefit from utilizing our application by using our advance point of sale system.

XIV. Competition

As previously discussed, there aren't any major or notable applications that cover as wide of a range as our application proposes to. There are several applications that address individual components of our proposed application and they are near nationally recognized in brand in the

case of Square™, or UberEats™. Though, several brands also operate on a name recognized basis in certain regions like Tapingo™, or Waitr™.

In either case, the businesses focus on variants of one of the two halves. Either acting as an interface for customers to place orders and have their food delivered to them or, in the second case by acting as a full point-of-sales and business system for those establishments.

XV.   Marketing Strategies

Our marketing strategy will consist of targeting smaller businesses and new startups at first that will implement our system and offer us a small bit of branding and gaining more definite results on how much time and money is saved using the system. From there, the stream and scale will increase rapidly as we aim to target larger and more functional businesses that may already have one or multiple systems already for their business as we can show definitive results and major value for their businesses.

We'll focus on offering our product to reach out to a younger and more technologically savvy generations that are quickly becoming their primary clientele. On top of that, the option to reduce labor costs or shift those costs to preparing more orders or maintaining their establishment more effectively is an added benefit as well as being a single integration for the back-end of their business. Furthermore, the potential cost savings we offer overall with our pricing model compared to others means they save more on the bottom-line.

Focusing entirely on the 'wins' that their business gains compared to traditional methods and implementing our application in place of other applications or even multiple applications gives us a solid foundation to compete in the market. Push on top of that our ability/chance to tailor the UI and thematic towards an individual business afterwards and we offer enough value from our product to make a very good push into the market.

XVI.   Development Strategies

Our application will be developed as a single unit with two distinct parts as we've outlined and hinted at throughout this document. Firstly, we'll develop the back-end through our third-party API's and get a functional system going. Secondly, we'll build a customer-interface to wrap around the application and then moving it onto testing our prototype.

During testing, we'll take a demo of our application and run it against a variety of scenarios and user situations to make sure it's properly built and packaged. Once our testing is complete and

any edits are made, we'll have a demo product ready to take to businesses and show how versatile and powerful our application can be.

XVII. Barriers

The key barriers that we face on entering the market will mostly revolve around first, having a functional and efficient app that delivers on the features we set out to include. Beyond that, our primary barrier is going to be marketing out this product towards those companies and convincing them that our technology is as valuable as it can be for their business.

To convince businesses to utilize our app, we first must convince them that our product design would be better integrated with their services over other current P.O.S system applications. If the customer does not have an existing application integrated into their business, then our product must be appealing enough to make them consider utilizing our application.

XVIII. Critical Risks

Our critical risks exist mostly in the complexity of the development of our application as well as the timeline it must fit into. To deliver an application at the standard we hope for, we're going to have to rely heavily on an existing third-party plug-in for our backend and payment gathering methods as well as integrating that within our application entirely. Any delays or setback means that we may have to drop features or lose functionality in our application. The risk of that down the line means that our application is not as grand as we set out or advertise it to be in the meantime and that impacts our product negatively but as well, our customer's image and understanding of our product and ability to deliver.

If our application is to be a success, we must set out to fully create and implement the features of what we've set out to create and offer a product that truly encompasses that vision.