Business Plan

May 7, 2008

Anthony Bui
Chris Chang
Bernardo de Seabra

Executive Summary

whooshQ is the most efficient, time-saving way to order food and beverages at quick-service restaurants because it allows a customer to locate the closest restaurants, order on-the-go, pay automatically, and skip right past the long line of other customers.

Company

whooshQ was formed in spring 2008 by three students at the University of California, Berkeley, in order to address the growing mobile phone data services market and mCommerce trend. The goal of whooshQ is to improve the lives of everyday on-the-go consumers through creative and innovative uses of mobile technology. As a result, whooshQ was created to meet this need by providing mobile services, such as on-the-go food ordering. These services provide increased convenience to the consumer end-user and build a network of restaurant partners to assist in attracting more customers and larger orders.

Products and Services

whooshQ's service offering and associated features share one common goal: mobile convenience for the modern, on-the-go consumer and increased business for retail partners. In developing its applications and partnerships, whooshQ focuses on the following:

- **Convenience of Mobility**: Customers should be able to access the whooshQ service anywhere, anytime. In the modern world of mobile applications, convenience and speed are key.

- **Simplicity**: To be convenient to customers, the whooshQ service must also be simple and easy to use. All functions of the whooshQ service should be straightforward and intuitive, and customers should have to spend little or no time in understanding how to use it.

- **Customer Experience**: Technology and product features can be replicated, but the focus on the total customer experience is at the core of whooshQ. whooshQ aims to provide customers with the most enjoyable experience possible by supplementing technical excellence with aesthetically pleasing and user-friendly interfaces, and seeking constant user feedback.

Market

As one of the largest sectors of the U.S. economy, the mobile phone service industry stands at roughly $150B in 2007, with a CAGR of 13% over the last six years. This explosive growth is fueled by the

increased use of data services, which grew from about $1B in 2002 to $26B in 2007, and are predicted to grow 119% from 2007 to 2012. This provides a tremendous opportunity to enter the mobile phone data services market through the growing mCommerce industry, which is gaining traction as the mobile phone becomes further integrated into the everyday lives of modern consumers.

With market trends all pointing toward further growth of mobile data services that can provide convenience and speed, whooshQ has identified a large connectivity gap between consumers and restaurants through which it can enter the market. This concept of ordering on-the-go has recently been piloted by various small startups, but none have gained significant market share at this point in time. whooshQ will take advantage of this opportunity to build upon their success and bring an improved product to market to better meet the customer demands.

Financial

whooshQ is seeking $300K-$500K in first-round financing. The funding will allow the company to complete the development of its initial mobile phone applications, to aggressively market the whooshQ service to both consumers and restaurants, and to roll out the whooshQ service to initial test markets. The company anticipates that the initial round will be sufficient to carry it to profitability and allow it to expand both in geography and breadth of services.

Initial revenues are expected in the immediate future as the whooshQ service is implemented in early adopter restaurants in 2008 Q2, and the company is expected to become profitable in 2009. Anticipated revenues and profits for the first five years are summarized below:

	2008	**2009**	**2010**	**2011**	**2012**
Revenue ($ millions)	$0.075	$1.51	$10.63	$60.73	$227.73
Net Income ($ millions)	($0.07)	$0.436	$4.56	$27.46	$104.12

Management

The ultimate success of whooshQ will depend upon management's ability to effectively implement its vision for the company. WhooshQ's management is actively seeking individuals whose backgrounds and experiences can supplement the existing skill sets provided by the founding executives. Currently, the founding executives of whooshQ include the following individuals whose backgrounds and experiences will create synergies in the development and management of the company:

- **Chris Chang, CEO** – Business, strategy, and technology experience at Deloitte Consulting and Hitachi Data Systems; UC Berkeley Business student.

- **Anthony Bui, COO** – Finance and operations experience at BrainFall.com; UC Berkeley Industrial Engineering student.

- **Bernardo de Seabra, CTO** – Engineering experience at Cisco Systems and Barracuda Networks; UC Berkeley Computer Science student.

Each of these founders has contributed substantially to the development of the company.

Table of Contents

a. Startup Expenses
b. Financial Projections

XI. Exhibits
a. Exhibit A: Projected Market Share
b. Exhibit B: Projected Financials (6-Year)

Company Overview

whooshQ aims to improve the lives of everyday on-the-go consumers through creative and innovative uses of mobile technology. By providing a means of streamlined ordering, WhooshQ enables consumers to order and pay ahead online or via mobile phone, eliminating the need to stand in line at busy quick-service restaurants.

Company Background

whooshQ was founded in the spring of 2008 to address a significant inefficiency faced by today's mobile, on-the-go consumer: the costs associated with time wasted waiting in long lines.

Today's world continues moving at a fast pace toward greater speed, efficiency, and mobility. As the mobile phone data services user base grows and the lifestyle of consumers continue to increase in speed and demand greater convenience, the opportunity cost of waiting in long lines becomes evident. While the waiting time may be just 5-10 minutes, the time adds up quickly and takes away from time that consumers could spend elsewhere, whether with work, with family, or for personal time. Thus, a clear need exists for a solution to the long wait times.

whooshQ was created to meet this need by providing on-the-go mobile services, such as on-the-go food ordering, to the consumer end-user, and building a strong network of restaurant partners to assist them in attracting more customers and larger order sizes.

Company Description

During its initial years of operation, whooshQ will focus only on the U.S. market, specifically targeting major metropolitan areas across the country with the greatest potential for the whooshQ service. Within these areas, whooshQ will look to partner with both small, individually-owned restaurants and larger chains. Potential restaurant partners with whom whooshQ's team has already spoken to include Subway, Quizno's, and Starbucks. The response to restaurant partner surveys has been extremely positive and whooshQ is confident in its collaboration with initial restaurant partners.

whooshQ's guiding corporate philosophy encompasses high quality service offerings, unparalleled customer service, and innovative creativity that will never stop thinking of ways to further enhance consumer convenience and restaurant efficiency.

Market Analysis

Market Overview

As one of the largest sectors of the U.S. economy, the mobile phone service industry stands at roughly $150B in 2007. The explosive growth over the last 10 years has seen the mobile phone technology become closely integrated into the lives of modern consumers, and a large number of mobile phone services have begun to appear.

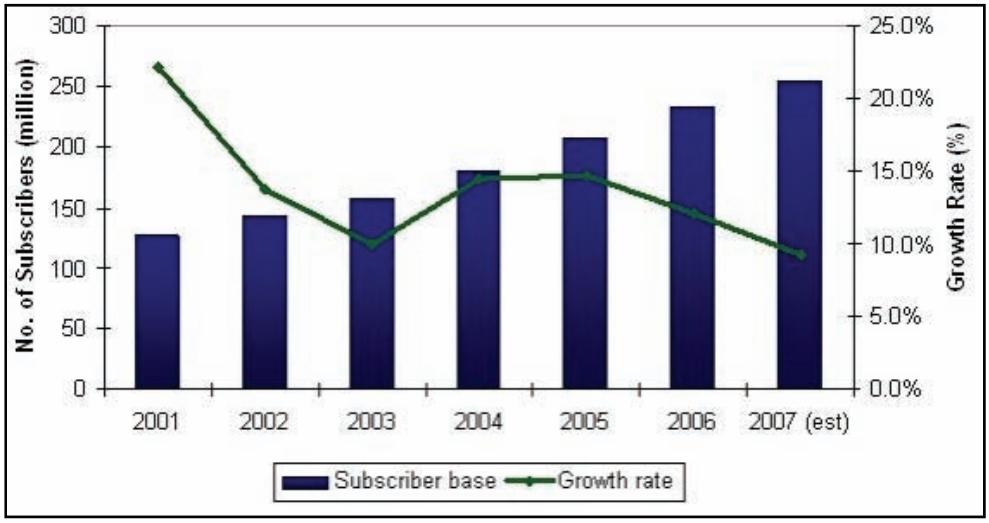

Figure 1: Growth of Mobile Subscribers, 2001-2007

The number of mobile phone subscribers in the U.S. continues to grow at roughly a CAGR of 13% since 2002. However, as the mobile phone industry grows, the market for voice services has become increasingly competitive. Major carriers such as Verizon Wireless and Cingular constantly improve the reliability and reach of their mobile phone networks, resulting in little differentiation over voice service offerings. Smaller MVNO players entering the market resell bandwidth owned by one of the major carriers, further decreasing any differentiation in voice services. The lack of differentiation has forced carriers to lower the price for voice services and look to compete elsewhere – specifically data services.

Data services involve digital transmission of data and/or multimedia content. Typical data services include mobile internet access, email, text messaging, and the downloading ringtones, music, and video.

Year	Sales at current prices			Sales at constant 2007 prices*		
	$billion	Index	% change	$billion	Index	% change
2002	1	100	-	1	100	-
2003	2	203	102.7	2	198	98.2
2004	5	486	140.0	5	463	133.7
2005	9	916	88.4	10	844	82.2
2006	16	1,659	81.0	17	1,491	76.6
2007	26	2,666	60.8	26	2,335	56.7

Figure 2: Sales of Mobile Data Services, 2002-2007

Revenue from data services has become the driver of growth at major mobile service providers. From 2003 to 2007, the share of data services revenue as a percentage of the total market grew from 2% to 28%. This translates to a growth of the data services revenue segment from about $1B in 2002 to $26B in 2007, and a predicted growth of another 119% from 2007 to 2012.

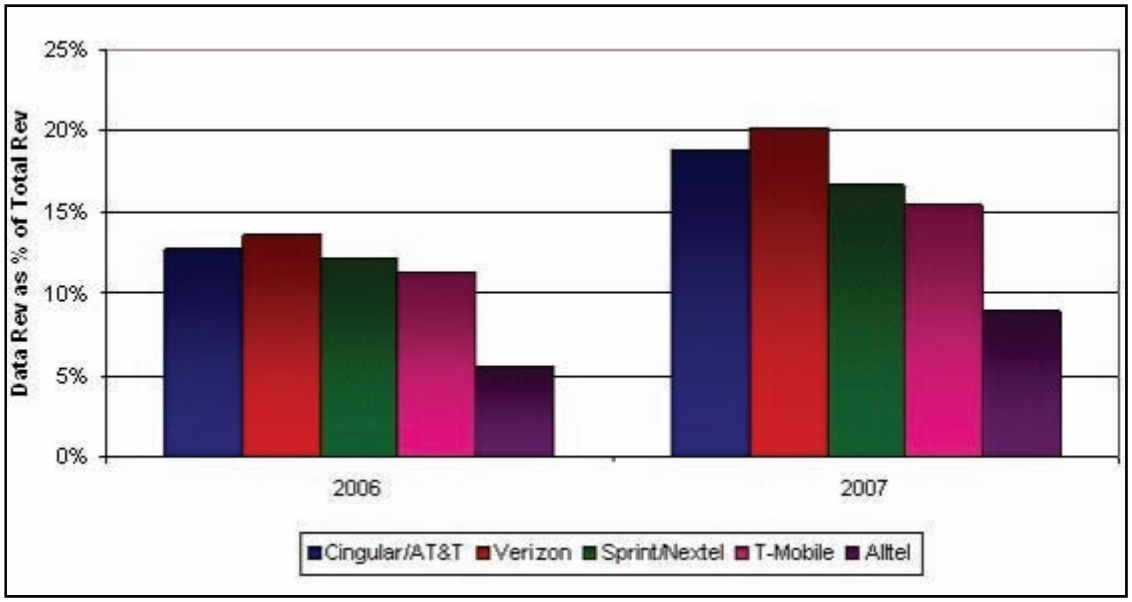

Figure 3: Mobile Data Services Revenue as a Percentage of Total Service Revenue, 2006-2007

The increase in data services revenue is evident across the industry, with an average increase from 12% of service revenues in 2006 to 18% in 2007 for the five largest carriers. As data services continue to grow and more mobile phone users begin utilizing data plans, tremendous opportunities exist to bring mobile phone services to consumers.

Industry Description

The mobile commerce industry consists of the trading of goods and services made through mobile devices. mCommerce is comprised mainly of transactions through Internet-based applications for the mobile device. Currently, the main mobile devices used to conduct mCommerce are phones, personal digital assistants (PDAs), and smartphones. The industry includes both Business-to-Business (B2B) and Business-to-Consumer (B2C) financial transactions. These transactions can be broken down into the four major categories of banking, purchases, marketing, and auctions.

Today, mCommerce is overshadowed by electronic commerce—where many businesses use web interfaces to interact with other businesses or customers. However, mCommerce and eCommerce aren't necessarily overlapping industries. In fact, mCommerce is seen as a natural progression of eCommerce as consumers grow increasingly mobile. As a result, many experts expect mCommerce to eventually surpass eCommerce levels.

mCommerce is a relatively new market and consequently it is not well defined. Due to uncertainties in the definition of mCommerce, projections of current and future value of the industry vary greatly.

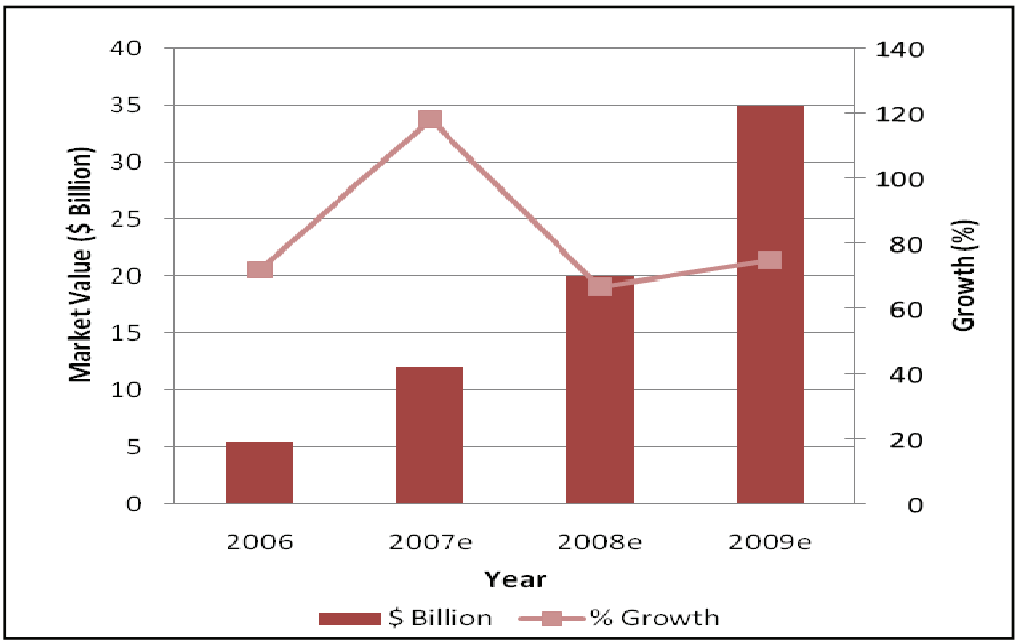

Figure 4: U.S. Mobile Commerce Industry Value, 2000-2007

In 2001, mCommerce was valued at $590 million—a 118.5% growth over the year 2000. According to Strategy Analytics, the mCommerce market was expected to be $200 billion in 2004. Jupiter Research, however, projected that the global mCommerce market was $3.6 billion in 2006. The best estimate of mCommerce's value today was determined in a recent study by Inderscience Enterprises Ltd., which

estimates the current market value of global mCommerce to be $42 billion. The U.S. alone captures $5.5 billion of this global value. This figure includes banking, purchases, marketing, and auctions.

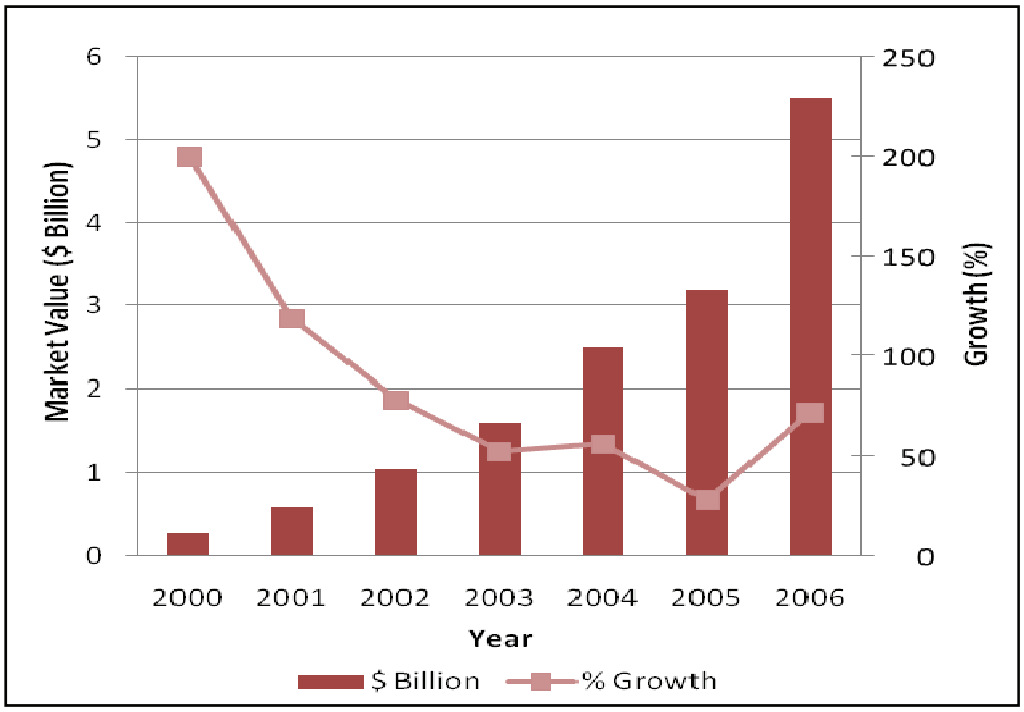

Figure 5: U.S. Mobile Commerce Industry Value Forecast, 2000-2007

mCommerce is expected by many experts to be the natural successor to eCommerce. This has yet to be seen as eCommerce still dominates, but with the record adoption of new technologies recently—mainly smartphones and faster data plans—mCommerce is expected to see huge growth increases. These increases are projected to be mostly in the United States, which remains relatively underdeveloped compared to its global competitors.

Market and Industry Features

- **Increased Connectivity**: As technology advances, the availability of mobile phones with internet capability is increasing and with it the market opportunity for mCommerce. In addition, consumers are staying connected to the Internet more frequently and for longer durations of time, suggesting an overflow to mobile devices. At its current growth rate, mobile devices are expected to exceed computing devices by several folds.

- **Infrastructure**: Expanding wireless technologies have increased the reliability of Internet-based applications on the mobile device. With broadband for mobile devices via 3G, mCommerce can now be reliable and quick.

- **New Opportunities for Collaboration**: mCommerce offers many companies a new avenue for revenue by enabling retailers to market through mobile devices. In addition, companies will have a new way of reaching their customer thereby adding to the customer's customer service experience. This will also help to reduce operational costs.

- **Ease of Use**: As smartphones and internet-enabled mobile phones become more commonplace, their ease-of-use is increasing. Popular smartphones like the Apple iPhone and Blackberry are simple enough that they are penetrating the leisure markets.

- **Location-Based Services**: Mobile devices are capable of locating users' global position, opening up opportunities for location-based services that are specific to the user's current location.

Market and Industry Trends

Many key trends in the mobile phone data services market and the mCommerce industry have fueled the development of whooshQ's service offerings. These trends show that there is not only a significant current opportunity for whooshQ, but also tremendous possibilities for future expansion.

- **Growth in Internet Usage**: More people connect to the Internet every day. In the U.S., 67% of the population connects to the Internet regularly. Regular Internet users are expected to increase to 90% by 2009.

- **Growth in Data Services**: Revenues from data plans account for nearly 18% of mobile phone sales in the US in 2007, up from less than 8% in 2005, and show no sign of slowing.

- **Growth in Mobile Internet Use**: Mobility for on-the-go consumers is becoming more of a "need" than simply a "want." Mobile internet use, via mobile internet service providers such as Verizon and Sprint, is growing at a very fast rate of 154% just in 2007.

- **Growth in Smartphone Use**: In North America, shipments of smartphones more than doubled to 20.9 million in 2007, up from 10.3 million in 2006.

- **Growth in Technology Adoption**: There are over 80 million mobile devices in use in the United States and over 350 million worldwide. This number is expected to rise to 1 billion by 2009. In addition, Internet-enabled phones are becoming cheaper and more standard.

- **Greater Accessibility for Application Development**: With development tools for mobile-based applications becoming more accessible, users have more applications to choose from. The possibility exists to develop applications specifically catered to each mobile phone's operating system to provide a more enjoyable user experience.

- **Expanding Infrastructure:** Greater speeds of mobile Internet access will close the gap between an Internet experience on the mobile device and a personal computing device.

Business Opportunity

Market Size

San Francisco Market Size	
1	city
4000	restaurants per city (average)
50	potential customers per restaurant
200,000	**potential customers**
3	average orders per customer per week
52	weeks per year
$7.00	average charge per transaction
10%	revenue per transaction
$21,840,000	**market size in dollars**

Figure 6: Market Size Estimate (SF)

After 5 years with expansion into other major cities	
50	cities
4,000	restaurants per city (average)
100	potential customers per restaurant
20,000,000	**potential customers**
5	avereage orders per customer per week
52	weeks per year
$7.00	average charge per transaction
10%	revenue per transaction
$3,640,000,000	**market size in dollars**

Figure 7: Market Size Estimate in Five Years

The estimated potential market size for an average city today is over $21 million. After a five year expansion, this potential market size for an average city is expected to increase significantly to about $70 million per city. This takes into account growth in the adoption of internet-enabled mobile devices and the increasing population of tech-savvy consumers. Given whooshQ's planned expansion to 50 major cities, the market size in five years will be over $3.5 billion.

Customer Analysis

whooshQ's initial target customer market consists of two segments – consumer end users and restaurant partners. whooshQ has taken extensive surveys of both segments to clearly define the characteristics and needs of its customer base.

Consumer End Users: The primary end users of whooshQ will be the modern on-the-go consumer. This consumer values his or her time, and is often found rushing to and from one place to the next. He or she tends to visit certain quick-service restaurants on a regular basis and places a strong value on speed and convenience. The consumer also tends to be younger and more tech-savvy, and is comfortable with placing orders for items over the internet.

Restaurant Partners: The primary partners of whooshQ will be the quick-service restaurant that has the option of ordering to-go. This restaurant tends to have orders that take under 15 minutes to fulfill, and an average transaction amount of $5-$10. The restaurant also tends to have long lines of customers during peak hours and is somewhat modernized in its ordering system (comfortable in utilizing at least a digital ordering screen).

Competitive Analysis

Currently, there are existing methods of ordering that provide indirect competition to whooshQ, as well as a small number of companies addressing the idea of mobile ordering in direct competition. These companies range from the widely established corporate ordering system SeamlessWeb to the recently created mobile ordering system GoMobo, concentrated on only the East Coast.

The following is whooshQ's analysis of indirect competition, which currently exists in many different forms across various restaurants in the target market:

Ordering via Phone

Currently, most restaurants are equipped to handle orders that are placed via phone. Typically, these orders are taken on a first come, first served basis alongside orders from customers waiting in line.

Pros	Cons
▪ Personal phone service ▪ Quick and easy method without the need for additional equipment ▪ Does not require any technological knowledge	▪ High chance of order mistakes due to noisy environments and unclear speech ▪ Customer still has to wait in line to pay and pickup their order ▪ Customers often put on hold during peak hours ▪ Customers usually don't have restaurant phone numbers memorized

	▪ Requires a person at the restaurant to pick up the phone ▪ No guarantee that the customer will show up to pay and pickup their order

Ordering via Fax

A number of restaurants have implemented fax order systems, allowing customers to fax in orders via a standardized order form. Typically, these orders are taken on a first come, first served basis alongside regular orders from customers waiting in line.

Pros	Cons
▪ Order is in writing, preventing any chance of order mistakes ▪ Does not require significant technological knowledge (easy to send a fax)	▪ Requires a fax machine and dedicated fax line for both customer and restaurant ▪ No easy way to send order confirmations back to customer ▪ Customer still has to wait in line to pay and pickup their order ▪ Customers usually don't have restaurant order forms readily available ▪ Customers usually don't have restaurant fax numbers memorized ▪ No guarantee that the customer will show up to pay and pickup their order

Ordering via Internet

A number of restaurants have implemented online ordering systems, allowing customers to place orders directly to the restaurant simply by going to the restaurant's website. Typically, these orders are taken on a first come, first served basis alongside regular orders from customers waiting in line.

Pros	Cons
▪ Full menu options are usually available to the customer ▪ Can have the option of customer pre-paying the order, eliminating the need to wait in line and ensuring payment to the restaurant	▪ Requires an active internet connection and internet browser ▪ No easy way for the restaurant to contact the customer if necessary ▪ Customer must provide personal information to the restaurant to sign up

▪ No additional costs to a 3rd party vendor for restaurants	High initial setup cost for restaurants

In addition to indirect competition, whooshQ has identified a few key players in the mobile ordering market that provide direct competition. Because none of the key players are publicly traded companies, most information was not readily available and was instead gathered through conversations with end users, advertising, and industry reports:

MyTango

A small, venture-backed startup based in Mountain View, CA, MyTango allows for the use of SMS to order food from participating restaurants. Centered around the San Francisco Bay Area, MyTango has been successful in convincing a small number of restaurants to sign up for its services.

Pros	Cons
▪ Established presence on the West Coast ▪ Has generated public awareness of the on-the-go ordering concept in the San Francisco Bay Area	▪ Charges customers a fee per order ▪ Split focus between on-the-go ordering and mobile payment system ▪ Has less than 15 restaurants actively participating in its program ▪ Little activity in the past year

SeamlessWeb

Initially created as a small startup on the East Coast, SeamlessWeb provides a comprehensive food ordering, tracking, analysis, and accounting system for large corporate customers. Its focus on the corporate world has allowed SeamlessWeb to not only expand to many major cities, but also be acquired by food services giant Aramark in 2006.

Pros	Cons
▪ Established presence in most major cities through large corporate accounts ▪ Comprehensive, integrated corporate ordering system ▪ Strong relationship with corporate customers	▪ Focused primarily on corporate customers, not consumer end users ▪ Significant initial setup costs for restaurants ▪ Oversight and inflexibility with restaurants Primarily utilizes restaurants that use delivery rather than take-out

GoMobo

A small, venture-backed startup based in the East Coast, GoMobo allows for the use of SMS and internet to order food from participating restaurants. Centered around New York City, GoMobo has been successful in convincing a significant number of New York restaurants to sign up for its services, and is looking to expand geographically.

Pros	Cons
▪ Established presence and publicity ▪ Has generated public awareness of the on-the-go ordering concept ▪ Successful in developing a strong user base and network of restaurants ▪ First major player in the market	▪ Requires internet connection, fax machine, and fax line at restaurant ▪ "GoCodes" system requires customers to pre-select their orders and limits customers to these pre-selected meals ▪ No easy access to restaurant menus without full internet browser

Competitive Advantage

whooshQ management believes that none of its competitors provide the enjoyable user experience and integrated convenience to ensure regular, repeated use by consumers of its on-the-go mobile ordering system. Through surveys of both consumer end users and restaurant partners, whooshQ has determined the key characteristics that will differentiate its service from the competitors:

- **Personalized Service**: With location-based listings of participating restaurants users will have access to restaurants near their current location. In addition, users will have access to popular options at local restaurants without having to setup preferences and codes beforehand.

- **No Need to Access External Website**: Being more mobile requires more disconnect from a personal computer. whooshQ can operate as a native application on the mobile device complete with menu options for ordering. Little to no setup will be needed on an external website, making the experience as quick and easy as possible.

- **Simplicity**: With the increase in mobility, users will need services that are quick and reliable. With popular options, favorites, and past order histories, whooshQ can be as simple as a one-button order.

- **Enjoyable User Experience:** While multiple services can provide the ability to order on-the-go, whooshQ focuses on the customer experience at all levels, from the website registration down to the individual mobile phone. Through enhanced modern interfaces such as integrated applications in the mobile phone, whooshQ provides a truly enjoyable user experience.

Business Development Strategy

Marketing and Promotion Strategy

whooshQ's marketing strategy involves a multi-level approach. Initially, whooshQ will generate awareness of both on-the-go ordering and the whooshQ service to the consumer base through word of mouth, mass publicity, social networks, and press releases. Strong awareness of the whooshQ service by consumers will help greatly in selling the service to restaurants, as restaurant managers will clearly see that their customers are interested in the whooshQ service. Subsequently, by implementing the whooshQ service at restaurants, more consumers will be exposed to the service and become interested.

Key marketing and promotion material include:

- whooshQ advertisements and brochures at participating restaurants
- whooshQ banner clearly showing the pickup counter for whooshQ customers
- whooshQ press releases with local newspapers

To promote early adoption of the whooshQ service by restaurants, whooshQ will provide restaurants with trial period to test out the service. Similarly, to promote adoption of the whooshQ service by consumers, whooshQ will provide consumers with occasional promotional discounts and other incentives to test, use, and promote whooshQ on a regular basis. During the promotion of the whooshQ service, emphasis will be placed on the convenience, ease of use, and personalization.

As the whooshQ service is adopted by more restaurants, whooshQ developers will continuously be developing new features, fixes, and services for both the consumer base and the restaurants. Software updates and improvements will be provided in a timely manner and will be implemented with the utmost precision. Innovation, creativity, and quality are key, so substantial attention will be focused in these areas. Regular communication about upcoming developments will occur through an online blog on the whooshQ website, which will also allow both consumers and restaurants to provide feedback to help whooshQ further improve its service.

In the future, as the whooshQ service is widely adopted by consumers and restaurants across multiple cities, the whooshQ service may also be promoted in conjunction with select mobile phone service carriers.

Sales Strategy

whooshQ will use a well-trained, in-house sales and marketing team to sell the whooshQ service to restaurants. The team will utilize marketing material and client success stories to pitch the idea. Emphasis will be placed on the benefits that restaurants will receive, such as a new channel of customers and increased customer orders and loyalty, as well as the desire of customers for the whooshQ service.

During the initial deployment phase, a small, local team will be used to sell to restaurants. Communication with the restaurants during this phase will be critical in gaining feedback and improving the whooshQ service before large scale deployment to multiple cities. When whooshQ is ready to expand to other areas of the country, a larger sales team will be necessary in order to capture the market.

Sales personnel will be compensated appropriately. Since the initial deployment is based locally in the San Francisco Bay Area, whooshQ will also utilize the local college students to assist with sales, providing real-world experience in exchange for creative sales methods. All sales personnel will be expected to turn in weekly sales reports outlining restaurant contacts made, follow ups, successes, and necessary steps.

Pricing Strategy

The success of whooshQ relies heavily on the willingness of the consumer base to use the service, so users will not be charged for using whooshQ and making on-the-go orders. Instead, since the value added for restaurants is easily quantified and tracked, revenue for whooshQ is derived primarily from a per-transaction charge to the restaurants – approximately 10% of each transaction made through whooshQ.

Based on surveys that whooshQ conducted with restaurants, the 10% commission that whooshQ takes from each order is acceptable. Given the projected increase in transaction quantity and size from the whooshQ service and the elimination of credit card fees charged to restaurants for each credit card transaction, restaurant managers are willing to pay the small commission for the added business value.

To minimize any financial barriers to implementing the whooshQ service at restaurants, whooshQ will charge minimal to none in setting up the whooshQ service. Because an order-receiving system is necessary for restaurants to accept orders from the whooshQ service, restaurants will pay whooshQ a monthly leasing fee for the equipment, which will be an inexpensive web-enabled device (PDA) optimized for whooshQ software and application. whooshQ will work with a 3rd party leasing company to get the hardware, and will pass the leasing revenues to the leasing company. This minimizes any risks associated with equipment inventory, depreciation, and support.

This pricing structure will allow whooshQ to grow in revenues in accordance with the success of its service and the added business value that its restaurant partners receive.

Product Development

Typical whooshQ Process

A typical line service involves the customer and the merchant in a face-to-face, first in, first out transaction. The heart of the whooshQ service is eliminating the need to wait in line to make this transaction by involving a third party, whooshQ.

When a customer chooses a place to eat the customer can browse the restaurant and its menu from a mobile device. Before the customer arrives to the restaurant the customer can place an order via his or her internet-enabled phone using the whooshQ service. whooshQ will take this order and relay it to the restaurant where the order is automatically accepted and displayed for the restaurant to fill. If timed accordingly, when the customer arrives the order will be processed and waiting at the counter for pick-up by their mobile phone number or name.

From a financial transaction perspective, customers who use their credit card are billed once a week for all their purchases in that week and participating restaurants are paid once a month for their sales in that month.

whooshQ Components

The necessary components for a phone-based ordering service include four components:

- The main website
- The mobile web interface
- The mobile phone application interface
- The restaurant order processing interface and standalone device

Main Website

The main website is the main medium to communicate with both customers and participating restaurants. Its main purpose is to allow users to setup accounts and edit accounts. For the user, this includes basic account registration, and credit card or debit card registration. The website will also be the single stop for the customer to set up favorites, location, and other personalization options. Using the website, the customer will also be able to browse locations by zip code or city using a restaurant finder that displays distances of participating restaurants and place orders. For participating restaurants, this includes basic account registration, deposit account information, and full menu editing and uploading capabilities for the user to access.

The website also functions to store data for the customers to further speed processes. This data will be order history for the customer to track past expenditures. Also programmable and stored on the website are favorites and personal preferences, where customers can setup menus viewed and items ordered to their personal preference.

For participating restaurants, data storage mainly takes the form of order history. The web interface is responsible for transaction histories and bookkeeping services. Restaurants will have access to aggregate customer data that they can analyze to optimize their online menu offerings. For example, a quick-service restaurant that has 30 menu items may only need to list the 10 most popular items. Menus will be customizable, complete with logos and images. A standard break down will display popular items, drinks, and some customization options. The retailer must also specify prices, locations, and must agree to the terms of agreement in order to uphold the whooshQ brand.

As a communication medium, the website is responsible for explaining and troubleshooting whooshQ service, complete with FAQs, company history, and management team biographies.

Figure 8: whooshQ.com - Main Website Interface

Mobile Web Interface

The mobile web interface is a function of the main website that allows users to access whooshQ online from a mobile phone. Through the mobile web interface the customer has complete access to whooshQ service optimized for the mobile phone. The mobile web interface is the main tool for users who prefer to use whooshQ through their phones Internet browser capabilities.

Figure 9: whooshQ.com – Website Interface for the iPhone

Mobile Phone Application

The heart of whooshQ service is the application(s) built exclusively for the mobile phone. This requires that the customer install an application directly on their mobile phone, allowing for greater customizability and a better user experience. It has all the same functionalities of the mobile web interface but because it is native to the phone, processing speeds are much faster and data can be stored locally.

Another main advantage is a GPS location feature that lets the customer easily locate and browse nearby participating restaurants. This function is exclusive to the mobile phone application on mobile phones with GPS capability.

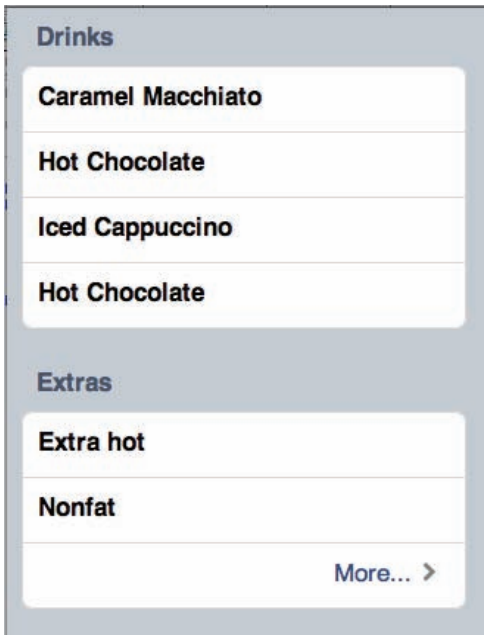

Figure 10: iphone.whooshQ.com – Phone Application

Figure 11: GPS Location Services for Participating Quick-Service Restaurants

Restaurant Order Processing Interface and Standalone Device

Participating restaurants will have multiple options on how they want to process orders that are received using whooshQ service:

- The default option is a PDA standalone device that displays and automatically accepts orders that need to be filled.

- Another option is for the participating restaurant to set up its own order processing through a browser-based interface available at the whooshQ main website.

Incorporated into the order-processing interface is a rejection option. Orders received are automatically accepted, but if a restaurant decides it cannot fill an order, it can reject an order within the first 5 minutes the order is received.

Order #	Name	Item	Description	Time	Action
1	Bernardo	Caramel Macchiato	Grande, Nonfat, Extra Hot	1:24 PM	Accepted
2	Johnny	Vanilla Latte	Venti	1:28 PM	Accepted
-		Hot Chocolate	Venti		
-		Hot Chocolate	Venti		
3	Anastasia	Blueberry Scone		1:30 PM	Accepted
-		Mocha	Grande		
4	Nguyen	Iced Frappucino	Venti	1:48 PM	
-		Iced Frappucino	Tall		
-		House Coffe	Venti		
-		Hot Chocolate	Grande, Soy Milk		

Figure 12: whooshQ.com – Retailer Order Interface

Architecture, Features, and Functionalities

Features	Functionality
GPS Location	Allows location targeting via built-in mobile phone GPS and identifies participating restaurants nearby. Allows flexibility for the customer and a new customer base for quick-service restaurants.
Restaurant Finder	Allows users to locate participating quick-service restaurants online by zip code, city/state, intersection, and restaurant type.
Favorites	Customers can setup favorites so that they can order frequent items in the click of a button.

Order History	Customers will have on-the-go access to their order history so they can make repeat orders with ease.
Debit Card Option	Customers can attach a debit card to their account and make predetermined transfers to their whoosh account. Allows for customers to limit their spending.
Transaction Log	Customers and restaurants can see transaction histories for bookkeeping purposes.

Product Benefits

Benefits to the Consumer

Limitations of Current Service	whooshQ Solution	Benefits Provided
Long per-customer service times	Anticipate demand and skip the line by ordering from your phone.	Faster service times, more convenience.
Slow customers delay fast customers in line	First come, first serve by order placed and not by line.	Customer priority.
Difficult to locate new quick-service restaurants because of geographical unfamiliarity	GPS location services allow for quick-service restaurant identification.	Gives customer variety, familiarity, and convenience unfamiliar places.
Requires physical payment mechanism	Order through phone and be billed through online credit card.	No hassle of in-store transactions.

Benefits to the Restaurant

Limitations of Current Service	whooshQ Solution	Benefits Provided
Low order quantities	Streamlined online menu increases order quantities.	Increased revenues from same number of customer traffic.
Identifying and attracting new customers	GPS location services and online menus.	Customers can find restaurants based on area or specialty, translating to new customers for restaurants.

Minimum order fees	Aggregated transactions that bill customer bimonthly and pays restaurants monthly.	Decreases per-transaction fees paid to credit card companies and eliminate hassle of dealing with small orders that are more affected by credit card fees.
Lost customers during peak demand	Phone-based ordering.	Restaurants can better meet peak demand and lose less customers from intimidating lines.

Implementation Plan

Project Feasibility

The whooshQ service targets a specific consumer pain of waiting in line. For restaurants, this pain is the difficulty of meeting peak demand without losing customers. As a result, consumers need a quicker, more convenient way to order and pick up.

In developing the whooshQ service, the startup costs are low and the technology already available. In addition, the setup cost to customers is minimal—free for consumers and a PDA or Internet browser enabled device for restaurants. To reduce this risk further, management has decided to lease PDAs to restaurants through a third party in order to minimize early inventory and maintenance costs. Effectively, the restaurant will be paying a $10 fee per month to lease a PDA (if required) and the 10% transaction fee per whooshQ transaction.

The biggest obstacle in implementing the whooshQ service is an aggressive and effective marketing and distribution plan. However, with the right resources and a focus on convenience and quality, management feels that marketing and distributing can benefit from inexpensive, local word-of-mouth advertising by satisfied customers. In addition, management will be mounting an aggressive national marketing and distribution campaign.

Staffing Requirements

Research and Development

Prototype: The following resources are needed to build a working prototype of the whooshQ service that can be easily scaled in three to six months:

- One graphic designer to design the website and phone interfaces in addition to early marketing and promotional material.
- One web programmer focused on the main web and phone interfaces. Responsibilities include back-end services and front end-services.
- One software programmer focused on the development of phone applications for major platforms including Apple and Windows Mobile. Responsibilities include GPS location.
- One software programmer and one mechanical engineer to build or design a low-cost point of sale system, complete with easy to use software for the retailer to accept and reject orders. In addition, test PDAs will be needed.

Continued Research and Development: Upon completion of the beta test phase, the prototype will likely need only minor revisions for bugs before it is final. From this point, whooshQ service will have a continued development cycle every four to six months that includes new features, functions, and interface changes. The existing staff will remain on board for this continued development.

Marketing and Distribution

Initial Deployment: The following resources are needed to market and distribute the whooshQ service in the initial deployment in San Francisco during the first three to six months of expansion:

- Chris Chang will serve as interim Vice President of Marketing during this phase.
- A small, local sales and marketing team comprised of four to six interns to sell and market the whooshQ service by phone and in-person.

Rapid Expansion to Multiple Cities: The following resources are needed to aggressively market and distribute the whooshQ service to multiple cities after the initial deployment phase:

- A Vice President of Marketing.
- Two to four regional sales and marketing teams comprised of four to six experienced representatives to sell and market the whooshQ service by phone and in-person.

Exploration of New Business Verticals: Following rapid expansion of the whooshQ service will be a focus on expanding the whooshQ product line to new business verticals. A team to explore these new verticals and focus on marketing and distribution will be needed. Management expects to begin this expansion to new business verticals in 2010.

Technical Support

As the whooshQ service expands to multiple cities, management expects that to maintain high quality and service levels, one technical support representative will be needed for every 50 participating restaurants.

Maintenance

Maintenance needed to provide whooshQ service includes servers, IT personnel, and support. In order to minimize early operations personnel, whooshQ will likely cover these requirements by using a full-service, hosting expert. Management is currently exploring opportunities with the following companies:

- Rackspace Hosting
- Hostgator Hosting
- LiquidWeb

Facilities

To minimize initial startup costs, management will not operate at a physical office. For the first six months of operation, management will physically meet once a week to coordinate week-by-week efforts and have a telephone conference twice a week for updates.

After this point, whooshQ would expand to a local office headquartered in San Francisco. This office would accommodate up to 10 employees and would carry whooshQ through its second full year of operations.

Early Implementation Schedule

ID	Task Name	Start	Finish	Duration
1	**Design & Development Phase**	3/31/2008	6/26/2008	64d
2	Main Website	3/31/2008	6/27/2008	65d
3	Phone Application	6/2/2008	7/1/2008	22d
4	Web Application	3/28/2008	4/30/2008	24d
5	Retailer Ordering System	4/28/2008	6/9/2008	31d
6	**Beta Test Phase**	6/30/2008	9/1/2008	46d
7	Selecting Test Sites	6/30/2008	8/8/2008	30d
8	Deploying Service	7/17/2008	9/9/2008	39d
9	**Marketing & Distribution Phase**	8/26/2008	4/17/2009	169d
10	Recruit Direct Sales Team	8/26/2008	11/24/2008	65d
11	Generate Awareness	9/23/2008	4/14/2009	146d
12	**Continued Development**	**11/24/2008**	**4/14/2009**	**102d**
13	New Features and Applications	11/24/2008	3/27/2009	90d
14	Find Corporate Sponsors	1/21/2009	4/14/2009	60d

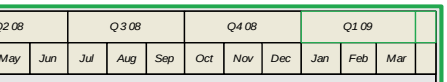

Figure 13. Implementation Stages Gantt Chart

Major Milestones

2008	**Q1**	• Develop website and web application prototypes • Find a contractor to lease standalone PDA devices for restaurants • Hire 2 engineers for development
	Q2	• Begin beta test phase • Hire 2 marketing interns
	Q3	• Finalize Version 1 of whooshQ service • Initial deployment in San Francisco and surrounding areas • Aggressively market in San Francisco and surrounding areas

	Q4	• Develop new features including bookkeeping services, geo-location, and more account customization options • 100 restaurants partnered • Hire a Vice President of Sales and Marketing • 10 employees: 4 engineers, 5 marketing, 1 support
2009	**Q1**	• Expand to 5 cities—San Francisco, Los Angeles, San Jose, Seattle, and Portland. • Positive cash flow
	Q2	• $500K in revenue • 20 employees: 4 engineers, 12 marketing, 4 support
	Q3	• 100 restaurants partnered per city • First NFL Superbowl commercial
	Q4	• Expand to 10 cities with an emphasis on a strong east coast presence—Boston, New York, Atlanta, Chicago, Miami • $1 million in revenue
2010		• Develop and explore opportunities in new business verticals—taxis, ticketing, retail • Expand to 20 major U.S. cities with an emphasis on blanketing all regions • $10 million in revenue • 50 employees: 20 engineering, 20 marketing, 10 support
2011		• $100 million in revenue • Enter new business verticals
2012		• Expand to 50 major U.S. cities • 100 employees
2013		• $1 billion in revenue • Acquisition or IPO

Management

Founding Team

whooshQ's three key members of management bring unique and tested skills to his or her functional areas. Highlights of prior experiences and current role at whooshQ are included.

Chris Chang, Chief Executive Officer

Chris is currently an undergraduate senior at the Walter A. Haas School of Business at the University of California, Berkeley. He has extensive experience leading the Asian Business Association and The Berkeley Group, and currently heads the Director's Advisory Council for the Haas School of Business. Through these networks he has built a strong interest and expertise in consulting, technology, and entrepreneurship.

Responsibilities include overseeing initial marketing and distribution efforts, competitive positioning, and strategic partnerships.

Anthony Bui, Chief Operating Officer

Anthony is currently an undergraduate senior in Industrial Engineering and Operations Research at the University of California, Berkeley. He began his entrepreneurship career with the Berkeley Venture Group, helping to launch the group's first venture, BrainFall.com. In addition, he has been actively involved with the Vietnamese Student Association where he has developed leadership as stage manager and Webmaster.

Responsibilities include coordinating product expansion and overseeing technical and administrative support.

Bernardo de Seabra, Chief Technological Officer

Bernardo is currently an undergraduate junior in Computer Science at the University of California, Berkeley. He has had extensive experience in his time at De Anza College including a software engineering internship with Cisco Systems and Barracuda Networks. He also has much experience leading community service efforts as Executive Vice President with the De Anza Associated Student Body Senate.

Responsibilities include overseeing initial prototype development, recruitment of engineers, and continued product development.

Ownership

All officers and employees of whooshQ will be afforded equity positions in the company. Currently, there are no outside investors. An ownership breakdown is as follows:

Chris Chang	28%
Bernardo de Seabra	28%
Anthony Bui	28%
VP of Sales and Marketing	6%
Other employees	10%

Financial Review

Startup Expenses

Management believes that an initial funding of $300,000-$500,000 will be adequate to carry whooshQ through the second year of operation. At that time, whooshQ will be profitable. It is believed that whooshQ will be able to finance its own operations as revenues increase in the second year.

Management expects to reach $10 million dollars in the third year of operations and $100 million dollars in the fourth or fifth year of operations.

Financial Projections

Management has taken what it believes to be a reasonable approach in formulating its pro forma financials without additional financing. Detailed financial statements can found in Exhibit B.

Exhibit A: Projected Market Share

Projected Market Share ($ in thousands)

	2008	2009	2010	2011	2012	2013
% Restaurants Captured	2%	4%	7%	12%	20%	30%
Restaurants / City	75	151	264	452	753	1130
Orders / Customer / Week	3	3	4	4	4	5
Customers / Restaurant	10	20	30	50	75	100
Average Order Size ($)	7	7	7	7	7	7
Transaction Fee	10%	10%	10%	10%	10%	10%
MONTHLY TOTAL	$ 6	$ 25	$ 89	$ 253	$ 633	$ 1,581
YEARLY TOTAL	$ 76	$ 303,644	$ 1,062	$ 3,036	$ 7,591	$ 18,978
# Cities	1	5	10	20	30	50
Net Revenue	$ 76	$ 1,518	$ 10,628	$ 60,729	$ 227,733	$ 948,888

Growth in Potential Market Size ($ in millions)

	2008	2009	2010	2011	2012	2013
Restaurants / City	4,000	4,000	4,000	4,000	4,000	4,000
Potential Customers / Restaurant	50	60	70	80	90	100
Orders / Customer / Week	3	3	4	4	4	5
Average Order Size ($)	7	7	7	7	7	7
Transaction Fee	10%	10%	10%	10%	10%	10%
YEARLY TOTAL	$ 22	$ 26	$ 41	$ 47	$ 66	$ 73
10 Cities	$ 218	$ 262	$ 407	$ 466	$ 655	$ 728
50 Cities	$ 1,092	$ 1,310	$ 2,038	$ 2,330	$ 3,276	$ 3,640

Exhibit B: Projected Financials (6-Year)

whooshQ Projected Income Statement

	2008 Q1	2008 Q2	2008 Q3	2008 Q4
Net Sales	$ 18,977	$ 18,977	$ 18,977	$ 18,977
Cost of Goods	5,801	5,801	5,801	5,801
Gross Margin	13,175	13,175	13,175	13,175
Gross Margin %	*69.43%*	*69.43%*	*69.43%*	*69.43%*
Operating Expenses:				
Marketing/Distribution	**17,500**	**17,500**	**17,500**	**17,500**
Materials	5,000	5,000	5,000	5,000
Marketing Team(s)	12,500	12,500	12,500	12,500
New Business Opportunities	0	0	0	0
Finance/Administration	**2,500**	**2,500**	**2,500**	**2,500**
Facilities	0	0	0	0
Support Staff	1,250	1,250	1,250	1,250
Maintenance	1,250	1,250	1,250	1,250
Engineering/R&D	**11,250**	**11,250**	**11,250**	**11,250**
Prototype Development	11,250	11,250	11,250	11,250
Continued Development	0	0	0	0
Total Operating Expenses	**31,250**	**31,250**	**31,250**	**31,250**
Other Income (Interest)	474.44	474.44	474.44	474.44
Pre-Tax Income	(17,599.57)	(17,599.57)	(17,599.57)	(17,599.57)
Provision for Tax	-	-	-	-
Net Income (Loss)	$ (17,599.57)	$ (17,599.57)	$ (17,599.57)	$ (17,599.57)

	2009 Q1	2009 Q2	2009 Q3	2009 Q4
Net Sales	$ 379,555	$ 379,555	$ 379,555	$ 379,555
Cost of Goods	116,035	116,035	116,035	116,035
Gross Margin	263,519	263,519	263,519	263,519
Gross Margin %	*69.43%*	*69.43%*	*69.43%*	*69.43%*
Operating Expenses:				
Marketing/Distribution	**62,500**	**62,500**	**62,500**	**62,500**
Materials	12,500	12,500	12,500	12,500
Marketing Team(s)	50,000	50,000	50,000	50,000
New Business Opportunities	0	0	0	0
Finance/Admin	**17,500**	**17,500**	**17,500**	**17,500**
Facilities	2,500	2,500	2,500	2,500
Support Staff	7,500	7,500	7,500	7,500
Maintenance	7,500	7,500	7,500	7,500
Engineering/R&D	**25,000**	**25,000**	**25,000**	**25,000**
Prototype Development	0	0	0	0
Continued Development	25,000	25,000	25,000	25,000
Total Operating Expenses	**105,000**	**105,000**	**105,000**	**105,000**
Other Income (Interest)	9,488	9,488	9,488	9,488
Pre-Tax Income	168,008	168,008	168,008	168,008
Provision for Tax	58,803	58,803	58,803	58,803
Net Income (Loss)	$ 109,205	$ 109,205	$ 109,205	$ 109,205

	2010	2011	2012	2013
Net Sales	$ 10,627,545	$ 60,728,832	$ 227,733,120	$ 948,888,000
Cost of Goods	3,248,992	18,565,671	69,621,268	290,088,617
Gross Margin	7,378,553	42,163,160	158,111,851	658,799,382
Gross Margin %	*69.43%*	*69.43%*	*69.43%*	*69.43%*
Operating Expenses:				
Marketing/Distribution	**310,000**	**680,000**	**2,120,000**	**11,700,000**
Materials	60,000	80,000	120,000	200,000
Marketing Team(s)	200,000	400,000	1,000,000	1,500,000
New Business Opportunities	50,000	200,000	1,000,000	10,000,000
Finance/Admin	**120,000**	**250,000**	**500,000**	**800,000**
Facilities	20,000	50,000	100,000	200,000
Support Staff	50,000	100,000	200,000	300,000
Maintenance	50,000	100,000	200,000	300,000
Engineering/R&D	**200,000**	**500,000**	**1,000,000**	**5,000,006**
Prototype Development	0	0	0	6
Continued Development	200,000	500,000	1,000,000	5,000,000
Total Operating Expenses	**630,000**	**1,430,000**	**3,620,000**	**17,500,006**
Other Income (Interest)	265,688	1,518,220	5,693,328	23,722,200
Pre-Tax Income	7,014,241	42,251,381	160,185,179	665,021,576
Provision for Tax	2,454,984	14,787,983	56,064,812	232,757,551
Net Income (Loss)	$ 4,559,257	$ 27,463,397	$ 104,120,366	$ 432,264,024