



**NU Munchies**

**So Fast So Hot.**

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**A business plan project undertaken during B Tech VI Semester, 2018**

**Course: MGT 401 (Entrepreneurship)**

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## Executive Summary

### Opportunity

#### **Problem Summary**

Our business plan needs to exist because in the current scenario, if anyone wishes to have something from either HOD or Nescafe at NU, they had to walk all the way from their hostels to these places. The worst case is when you go for the desired product and it's not available. With the help of this application, students can get to know the availability of the products and can place the order from hostel rooms and classes itself, just a few clicks away.

#### **Solution Summary**

Our business idea will provide the solutions to the problem of food availability which can later be modified to on demand food delivery in the NIIT University. Currently, we intend to explore this idea to Nescafe, but it may be extended to all the food outlets here and even outside the campus if necessary.

#### **Market**

It will be exclusively available for the students of NIIT University (we shall extend it to all the people residing in NU after it becomes a success).

#### **Competition**

Since this idea is confined to NIIT University, our apps scale is not big enough. Therefore talking about competitors is out of question. In the future, if we are expanding our app on a large scale then our customers may consider other alternatives like Foodpanda, Zomato, Swiggy, etc, which in turn will be our competitors.

#### **Why Us?**

The management team will comprise of five people (in the format of: Name, Enrolment number, Section), who are B.Tech CSE students of NIIT University, Neemrana:

Nishi Chandra (U101115FCS237), S4

Manik Garg (U101115FCS199), S4

Chinmaya Bansal (U101115FCS077), S4

Lavkush Singh (U101115FCS113), S5

Gaurav Tibrewal (U101115FCS088), S4

We are the right people to build this business because:

- Firstly, we are the students of NU and we are facing the same problem. We understand the concern and that is why we are trying to bring this idea of convenience into existence.
- Secondly, since we are computer science students and all the members comprises of CSE discipline of B.Tech, we are well verse with coding. We can save our expenses on the developer's part, as we can make our own products. We can modify it as per the needs and future demands of NU as we may experience and receive feedback.

## Expectations

### **Forecast**

INSTRUCTIONS: Write a brief overview of your financial targets. How much do you plan to sell in the next year? What are your long-term sales goals?

Our idea's prime focus is to overcome the troubles faced by NU students. Therefore, we are not focussed on the earnings at the initial stages, because we want to know how far this idea will lead us to. We then will analyse if the idea is extendible to other food outlets of the NU itself. Further, if it is widely accepted by the NU students and we receive a positive feedback on the addition of services, we may think of fundings at that point of time to present this idea across other places outside NIIT University (NU).

### **Financing Needed**

As of now, we don't need any financial aid unless we plan to expand it outside the domain of NIIT University, Neemrana. If our idea becomes a success and if in case we plan to expand, this parameter will become applicable.

## Opportunity

### **Problem & Solution**

#### **Problem worth solving**

In our university, there is no facility for ordering food, beverages and to know what types of food are available at that time/moment. So, if we want to order and eat food, then we have to go to the specific place where we have to do all the processes(ordering, waiting for order to be prepared, paying money) in order to get food which takes up a lot of our precious

time. It may be the case that the food is not available what you desire, because the vendors are not sure of the amount of orders will come.

### **Our Solution**

We are going to develop a platform (Android application and later on a Website) through which NIIT students and faculty members or anyone at NIIT University can order food and beverages. And they can also check the availability for the available food. Pre-order of food is also available as it will save much time. This is our prime objectives. In the later stages of development, if our idea survives and prospers, we may integrate the online payment portal to ensure the further facility.

### **Target Market**

Our target audience are the people who are college students or anyone those going to NIIT UNIVERSITY Neemrana who like to eat different cuisines of food at the food outlets present in the University. If we are successful in this small target area then we hope to increase our target market to other colleges and universities present in INDIA.

### **Competition**

#### **Current Alternatives**

Apps like Swiggy, Zomato, Foodpanda, Faasos and UberEATS are our major contenders that have a significant amount of market share.

#### **Our Advantages**

None of our competitors are serving at NIIT University's food stores.

Less staff required

Pre ordering of food

Can know the availability of food items before hand

Things you can't buy but can save **[TIME]**

### **Execution**

#### **Marketing**

#### **Marketing Plan**

As our target market is very small, we will connect every customer present in NIIT UNIVERSITY via emails, social media platforms and also through word of mouth. We will advertise our app in college newsletter and social media groups present especially for

college use.

## **Operations**

### **Locations & Facilities**

As of now, we have a room given by our university to store our servers and develop our app. But in future as we will develop and expand our idea, then we will be needing more space to add and maintain a significant amount of servers.

NIIT University,  
NH8 Delhi-Jaipur Highway,  
Neemrana  
Rajasthan-301705

### **Technology**

We would be using android studio for developing our android application and for domain name and hosting purposes we would be using GoDADDY and cube host india.

### **Equipment & Tools**

As of now we need high end laptops or PCs to work with in order to do our work smoothly and hassle free.

## **Milestones & Metrics**

### **Milestones Table**

<b>Milestone</b>	<b>Due Date</b>	<b>Who's Responsible</b>	<b>Details</b>
Reconfigure Social Media accounts	Completed	Chinmaya	
Meet with the concerned people to review market strategies	Completed	Nishi	
Top 10 customer list	Completed	Nishi	
Beta Testing	April 20, 2018	Lavkush, Gaurav	Test the app to see if

			it performs the way it should be
Spring promotion plans	April 21, 2018	Lavkush, Gaurav	Summer season coming again. Review general marketing, specific sales and event schedules.
Social media program	April 23, 2018	Manik	Social media priorities, content, emphasis, specific plans
Launching the app	April 28, 2018	Manik	Launch the app after the testing phase
Getting the app reviewed	April 30, 2018	Nishi	Get reviews of our app
Summer Marketing Strategies	May 20, 2018	Manik, Chinmaya	Time to establish specific social media content and events for the summer.
Summer finance Strategy	May 20, 2018	Chinmaya	Annual financial check-up on cash flow, working capital and financial needs during the summer season.
Monthly Review	May 2, 2018	Lavkush	
Review sales/orders	June 20, 2018	Gaurav	How many orders where made.
Annual strategy review session	October 15, 2018	Manik, Lavkush	SWOT session, strategy and tactics review.



## **Key Metrics**

### **1. SALES REVENUE**

We chose to put this metric first as it can tell a lot of things about our company. Month-over-month sales results show whether people are interested in buying our product/service, are our marketing efforts paying off, are we still in the competition, and much more.

#### **How to measure:**

Sales revenue is calculated by summing up all the income from client purchases, minus the cost associated with returned or undeliverable products.

#### **How to improve:**

The most obvious way to grow our sales revenue is to increase the number of sales. This can be done by expanding our marketing endeavors, hiring new salespeople, or making discount offers that are hard to resist. Growing our sales revenue should be a long-term strategy rather than a quick (and temporary) boost in sales.

### **2. NET PROFIT MARGIN**

This business metric indicates how efficient our company is at generating profit compared to its revenue. Basically, this number tells us how big a sum of? each dollar earned translates into profits.

The Net Profit Margin is a good way to predict long-term business growth, and see whether our income exceeds the costs of running the business.

#### **How to measure:**

Calculate our monthly revenue and reduce all the sales expenses.

#### **How to improve:**

We can improve our company's Net Profit Margin by increasing our revenue. The easiest way to do this is by raising the price of your products/services and selling more. Another method is to lower our sales and production costs while keeping up with the

competition. Both of these tactics require thorough market research and long-term business strategy, and can't be done overnight.

### 3. GROSS MARGIN

The higher our Gross Margin, the more our company earns by each sales dollar. You'll be able to invest it in other operations. This metric is especially important for starting companies as it reflects on improved processes and production. It's like the equivalent of our company's productivity, translated into numbers.

#### How to measure:

The Gross Margin equals our company's total sales revenue minus its cost of goods sold, divided by the total sales revenue.

Alright, let's put it into an equation.

Gross Margin = (total sales revenue – cost of goods sold) / total sales revenue

#### How to improve:

Gross Margin can be improved by making both our sales and production processes more efficient.

### 4. COST OF CUSTOMER ACQUISITION

The Cost of Customer Acquisition (CAC) is calculated by dividing all the costs spent on acquiring new customers (marketing expenses) by the number of new clients acquired in a specific time frame. If we spent \$8000 on marketing in September and acquired 40 customers in this time frame, your CAC is \$400.

The Cost of Customer Acquisition should always be measured together with the Customer Lifetime Value. If a new client is worth the average of \$1400 to us, acquiring them for \$400 is a reasonable deal.

**How to calculate:**

The easiest way to calculate the average Customer Lifetime Value is to multiply the average value of a sale by the number of repeat transactions and the average retention time in months for a typical customer.

Calculating the CLV depends on our product specifics – are we selling on a monthly basis, is it a big one-time transaction, or do people return to make repeat purchases? Here's a great infographic by Kiss metrics, explaining the CLV in-depth.

**How to improve:**

Evaluating the Customer Lifetime Value of various client segments can help us understand which segments bring in a higher profit. Let go of clients who are decreasing our net profit and difficult to convert, and focus on the most rewarding audience.

**5. NET PROMOTER SCORE**

Net Promoter Score reflects on the quality of our product and the level of customer satisfaction. It shows how many people are likely to recommend our product/service to a friend.

According to Net Promoter Network, there are three levels of customer advocacy: Promoters (score 9-10) are loyal enthusiasts who praise our company to others and drive our sales.

Passives (score 7-8) are satisfied but unenthusiastic customers who leave when they see a better offer.

Detractors (score 0-6) are disappointed customers who spread negative information about our company and can damage our brand's image.

**How to measure:**

This marketing metric can be measured on a ten-point scale by conducting customer surveys and interviews. The easiest way is to ask this question in the follow-up email of a product order or new subscription. It takes some time to gather data and evaluate the results but it gives you many insights into how to improve our product/service.

To calculate the Net Promoter Score, subtract the percentage of Detractors from the percentage of Promoters.

**How to improve:**

Provide the very best customer service and deliver high-quality service. Offer benefits and information that our customers didn't even expect to receive to make their user experience as good as possible.

## **6. LEAD-TO-CLIENT CONVERSION RATE**

Leads do not turn into customers on their own. They need to be contacted by our sales team who will convert them into paying clients. The Lead-to-Conversion business metric reflects on our sales team's performance. Moreover, it might indicate the quality of our product – if leads fail to convert, they might be unimpressed with what you're offering.

**How to measure:**

To calculate the Lead-to-Conversion KPI, divide the number of monthly new leads with the number of monthly new customers.

**How to improve:**

To improve this metric, we first need to find the cause behind the low sales conversion rates. It might be a poorly-performing sales team, but it might also be a bad product-market fit. Here's a great article by Conversion XL on how to improve our conversion rate.

## **7. EMPLOYEE HAPPINESS**

Happy employees = productive employees. New research suggests that we work 12% more effectively when we're happy at work.

Keeping the satisfaction level high leads to the long-term commitment to the team and company. That's why it's important to regularly check whether your employees are happy and feel rewarded for their work.

**How to measure:**

Conduct team surveys or use an HR tool to collect quick feedback on the teamwork and personal satisfaction levels.

## **How to improve:**

The fastest solution to increased employee satisfaction is introducing some new perks, e.g. free coffee in the office. But the long-term solution to motivating our team is being a good example, and practicing what we preach. Companies with a strong sense of mission project it on their team, making everyone more motivated.

## **Company**

### **Overview**

NU Munchies is a new food-ordering and food-takeaway startup located at NIIT University, Neemrana, Rajasthan, India that provides customers a platform for ordering food from the food outlets present at NIIT University namely Nescafe and HOD.

This company is founded by 5 Third year students majoring in B Tech CSE at NIIT University. As we are students and we happen to face the struggle of waiting in queues and going to the food outlets and learning that the food we wish to order isn't available.

Therefore, we thought that this problem needs to be taken care of so that we can save our time and energy and so we thought to take this problem ahead and grow it into a business.

The focus is to meet or exceed the customer expectations for an exceptional quality food that is served to be taken away quickly by the customers without waiting in queues and without wasting any time. The main goal is to make the platform user friendly for both the students as well as the restaurant vendor and to maintain a sync between them so that there is no point of failure. The company will serve the area of NIIT University Campus. The company may expand itself to reach Neemrana Area also.

As this is a developing area the company does not has any competitors as of now. That is why we prefer to focus on assessing customer expectations, and our core competencies, decide which expectations we can reasonably meet, then make sure to constantly exceed them wholeheartedly. Thus, we will be able to maintain and increase the level of customer satisfaction, as a strong foundation for future growth.

The costs that we will encounter is the cost of servers needed to run our platform seamlessly .As of now, this is a take-away service located at a university campus so we will save costs on delivery, marketing and logistics. But as we expand our reach to Neemrana delivery, marketing and logistics cost will add up.

## Team

### Management Team

There are five members Lavkush Singh, Manik Garg, Nishi Chandra, Gaurav Tibrewal and Chinmaya Bansal in the Management Team. As we all our majoring in B.Tech CSE we have a rich skill set in terms of technology. From developing to maintaining our platform will be our primary motive which in turns is related to how we value our customers. Good use of technology means happy customers.

## Our Team



**Chinmaya Bansal**  
Chief Executive Officer



**Lavkush Singh**  
Chief Operating Officer



**Gaurav Tibrewal**  
Chief Financial Officer



**Manik Garg**  
Chief Marketing Officer



**Nishi Chandra**  
Chief Technology Officer

## Advisors

Our families are the main support system to us, they support us in all the difficulties we face on a daily basis.

Dr Raj K Kovid who is our University Professor encouraged us to take this problem ahead and grow it into a business.

## Financial Plan

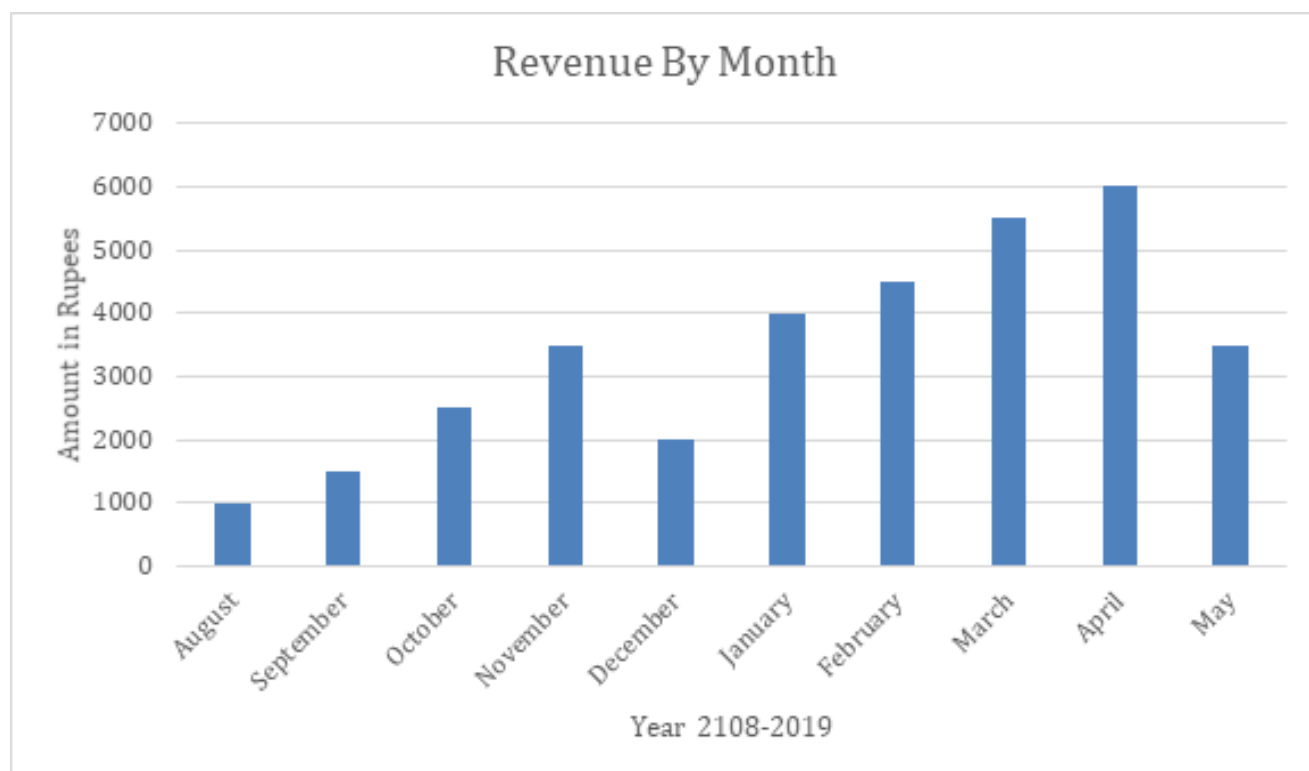
### Forecast

#### Key Assumptions

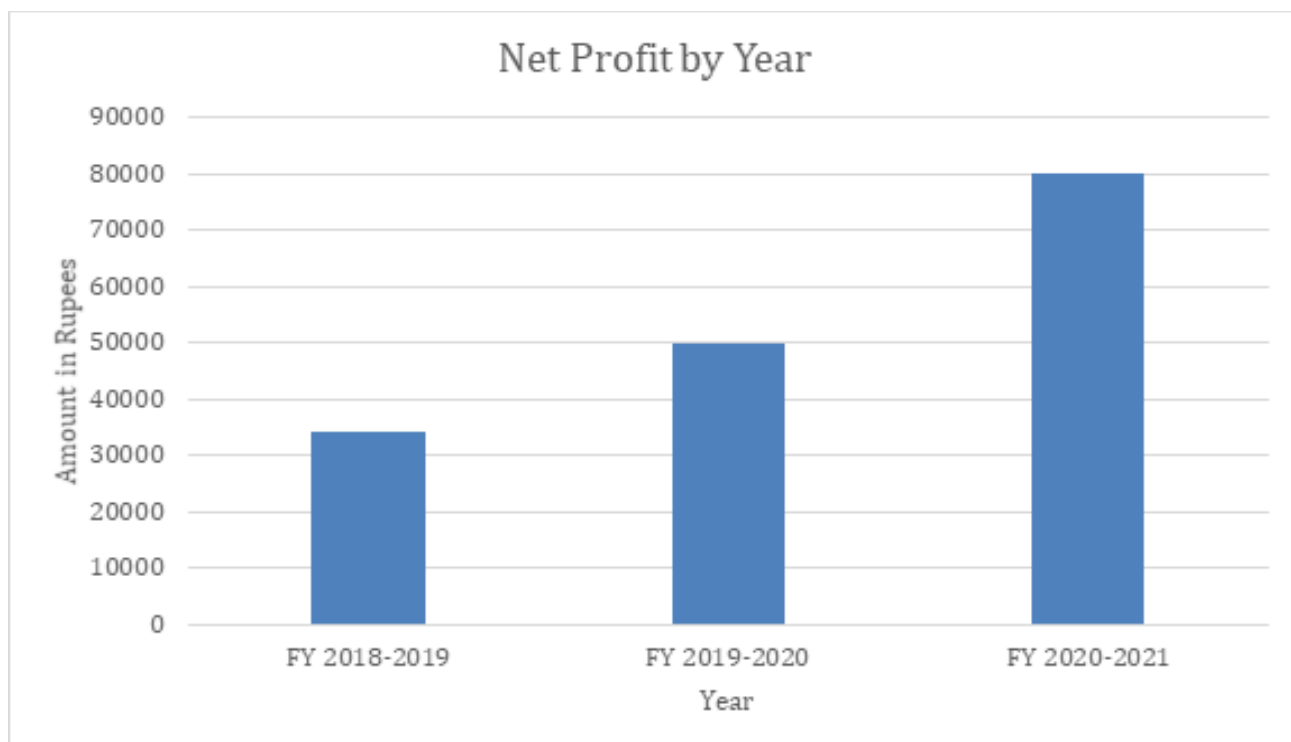
Our assumption here is that as currently we are not using any equipment and not taking any salaries during college, our expenses will be negligible. Therefore our expenses per month would be negligible too.

Also our assumption is that we could negotiate with the food vendor to give us a certain percentage of profit that is caused by us. Depending on the final figure reached in the deal, our revenue may go up or down.

#### Revenue by Month



### Net Profit/Loss by Year



### Financing

#### Use of Funds

The fund that will be earned will be kept for a later use for upgrading and buying infrastructure which may be required at a later time.

#### Source of Funds

We do not require an initial capital as this venture as of now do not require any monetary funds.



## Statements

### Projected Profit and Loss

	FY2018	FY2019	FY2020
<b>Revenue</b>	₹35,000	₹70,000	₹1,00,000
<b>Direct Costs</b>	-	₹5,000	₹5,000
Gross Margin	₹35,000	₹70,000	₹1,00,000
<b>Operating Expenses</b>			
Salary	₹0	₹10,000	₹15,000
Employee Related Expenses	₹0	₹0	₹0
<b>Total Operating Expenses</b>	₹0	₹10,000	₹15,000
<b>Operating Income</b>			
Interest Incurred	₹0	₹0	₹0
Depreciation and Amortization	₹0	₹0	₹0
<b>Total Expenses</b>	₹0	₹10,000	₹15,000
<b>Net Profit</b>	₹ 35,000	₹ 50,000	₹80,000

□

### Projected Balance Sheet

	FY2018	FY2019	FY2020
Cash	₹0	₹35,000	₹85,000
Accounts Receivable	₹0	₹0	₹0
Other Current Assets	₹0	₹0	₹0
<b>Total Current Assets</b>	<b>₹0</b>	<b>₹35,000</b>	<b>₹85,000</b>
Long-Term Assets	₹0	₹0	₹0
<b>Total Long-Term Assets</b>	<b>₹0</b>	<b>₹0</b>	<b>₹0</b>
<b>Total Assets</b>	<b>₹0</b>	<b>₹35,000</b>	<b>₹85,000</b>
Accounts Payable	₹0	₹0	₹0
<b>Total Liabilities</b>	<b>₹0</b>	<b>₹0</b>	<b>₹0</b>
Common Stock	₹0	₹0	₹0
Paid-in Capital	₹0	₹0	₹0
Retained Earnings	₹0	₹0	₹0
<b>Total Owner's Equity</b>	<b>₹0</b>	<b>₹0</b>	<b>₹0</b>
<b>Total Liabilities &amp; Equity</b>	<b>₹0</b>	<b>₹0</b>	<b>₹0</b>

### Projected Cash Flow Statement

	FY2018	FY2019	FY2020
<b>Net Cash Flow from Operations</b>			
Net Profit	₹35,000	₹ 50,000	₹80,000
Depreciation and Amortization	₹0	₹0	₹0
Change in Accounts Receivable	₹0	₹0	₹0
Change in Inventory	₹0	₹0	₹0
<b>Net Cash Flow from Operations</b>	<b>₹35,000</b>	<b>₹50,000</b>	<b>₹80,000</b>
<b>Investing &amp; Financing</b>			
Assets Purchased or Sold	₹0	₹0	₹0
Investments Received	₹0	₹0	₹1,00,000
<b>Net Cash Flow from Investing &amp; Financing</b>	<b>₹0</b>	<b>₹0</b>	<b>₹1,00,000</b>
Cash at Beginning of Period	₹0	₹35,000	₹85,000
Net Change in Cash	₹35,000	₹50,000	₹80,000
<b>Cash at End of Period</b>	<b>₹35,000</b>	<b>₹85,000</b>	<b>₹1,65,000</b>

Reference:

Business Plan template from: [bplans.com/downloads/business-plan-template/](https://bplans.com/downloads/business-plan-template/)