



SHAD 2016 DESIGN ENTREPRENEURSHIP

Greencrate

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I. Executive Summary :

Over the past month our team has worked closely towards creating a strategic master plan to establish Greencrate in Scarborough. The goal of this plan is to identify and address specific needs and peripherals of establishing Greencrate and then to develop strategies for the implementation of the proposed plan. This report solely addresses Greencrate's plans to start up the business in Scarborough and exploring methods to buy produce from vendors, manufacturing the product, and selling it to the customer.

Conducting Research:

Primary:

Telephone interview with Amodeo Produce & Food Bank

Secondary:

Food security Canada documents

Food and sanitation and commercial kitchens

Information on demographics of Scarborough

With conducting research in regards to food insecurity and food deserts in Scarborough, our team believes establishing Greencrate is a very feasible option that will attract potential customers in the lower middle class.

Proposed plan action :

Establishing Greencrate in Scarborough

- Based on the research conducted, the target price we are assigning for each meal kit is feasible idea and plan. The \$5 meals is a very cost effective option we hope will attract audiences.
- The main process of production of our meal kits includes peeling, cutting and storing them in vials and sending them to customers.

II. Introduction

Greencrate is a non-governmental organisation run by a group of Canadian students, created as a solution for low-income individuals and families who are suffering from food insecurity. Greencrate aims to make healthy, nutritious and delicious meals accessible for all. Our delivery system is designed to help those living in food deserts in the GTA, such as Scarborough, to have access to inexpensive, fresh, and healthy foods.

A meal kit is delivered straight to the consumer's residence, containing ingredients for a meal and detailed instructions on preparing the meal. Once the consumer is finished, the box will be picked up by our company and reused for future deliveries, thus reducing the amount of plastic consumed. By doing this, Greencrate helps customers save time and money in grocery and transportation costs, all while being environmentally friendly.

Greencrate also encourages senior students to volunteer in our delivery system. Being run by a group of students, we strive for youth involvement in paving a pathway to a solution for modern day issues.

Problem

Food insecurity affects the fundamental human right of access to food. While it is often thought that food insecurity only affects developing countries, individuals in developed countries with low income often face food insecurity as well. In 2012, over 4 million Canadians experienced food insecurity¹, including a startling 1 in 6 children². In the Greater Toronto Area 49% of people live in “food deserts”³, or areas that do not have easy access to food without an automobile, especially during the winter. These two situations compounded together often create problems for many low-income families; many cannot afford healthy food, let alone pay for rising gas and transportation costs. Ultimately, food security is not a problem caused by lack of food, but rather a lack of money.

¹ Tarasuk, V, Mitchell, A, Dachner, N. (2014). Household food insecurity in Canada, 2012. Toronto: Research to identify policy options to reduce food insecurity (PROOF). Retrieved from <http://nutritionalsciences.lamp.utoronto.ca/>

² Tarasuk, V, Mitchell, A, Dachner, N. (2014).

³ Food Deserts and Priority Neighbourhoods in Toronto | Martin Prosperity Institute. (2010, June 15). Retrieved July 24, 2016, from <http://staging.martinprosperity.org/insights/insight/food-deserts-and-priority-neighbourhoods-in-toronto>

Research methods used in the study

In order to obtain accurate and comprehensive information about establishing our business, there were two methodologies used to conduct research: primary and secondary. Telephone interviews were conducted with the Ontario Food Terminal vendors, and a food bank in Scarborough⁴. The online research we have conducted includes business reports, government reports of food insecurities, and newspaper articles. Combining the two methods of research, we obtained both qualitative and quantitative information which is vital to evaluate the decision of kickstarting the business.

The telephone interviews allowed us to have a direct conversation with the Ontario Food Terminal. Since buying ingredients in bulk for a cost effective price is one of the main objectives of Greencrate, an interview with an Ontario Food Terminal representative allowed us to understand how the food market works and how buying functions in the OFT. It also allowed us to determine the costs and our overall startup budget for the company. The telephone interview with one of the Food Bank representatives assisted us in determining which areas of Scarborough we should target and what is the suitable price our registered customers are willing to pay.

The online research, including food security articles published by the Government of Canada⁵, is a secondary methodology to collect quantitative information, allowing us to determine areas of the GTA that suffer from food insecurity and its severity. In addition, the research helped us evaluate our target audience and niche market.

By viewing quantitative and qualitative data together, an evaluation on Greencrate's feasibility of become a functioning business is possible. From the information we gathered on Stats Canada's website⁶, the OFT, and the food bank, we are able to compare the pros and cons of Greencrate's strategic plan of expanding the business, as well as make adjustments according to the websites' statistical data. These are the reasons why we decided to conduct the research with two methodologies, one being primary and qualitative, the other one being secondary and quantitative.

Findings and Conclusion of the Study

Greencrate was created as a NGO/non-profit organisation. Revenue can only be used towards the company, giving us more resources to improve the lives of the food insecure population. Becoming an NGO would make it clear to the public that our vision is to help others, not benefit ourselves unlike many

⁴ See Appendix 1.1.

⁵ Food Deserts. (n.d.). Retrieved July 24, 2016, from <http://www.ehatlas.ca/built-environments/food-deserts>, "Food Deserts" Resources and Information from the Canadian Environmental Health Atlas. (n.d.). Retrieved July 24, 2016, from <http://foodsecurecanada.org/resources-news/resources-research/food-deserts-resources-and-information-canadian-environmental>, and Health at a Glance. (n.d.). Retrieved July 24, 2016, from <http://www.statcan.gc.ca/pub/82-624-x/2015001/article/14138-eng.htm>

⁶ Health at a Glance. (n.d.). Retrieved July 24, 2016, from <http://www.statcan.gc.ca/pub/82-624-x/2015001/article/14138-eng.htm>

other organisations. In addition, NGOs have reduced taxes based on the type of work they do, and the money saved can be used to improve our company in the long term.

Through online research and contacting food banks, we concluded that we would be targeting Scarborough. This area is a "food desert", meaning that the residential areas are not a reasonable walking distance from grocery stores. Next, regarding obtaining food supplies, the Ontario Food Terminal is currently a feasible option. However, we would like to expand to purchasing produce directly from farmers in the future. This will be more cost efficient for us, and will be implemented once we gather enough contact information.

Greencrate may be similar to other delivery services but is unique in other ways. We are the only "DIY" model which provides raw ingredients and recipes. We believe that in the long run, this is a better method as our customers can obtain inexpensive foods as well as learn to cook for themselves.

Research on food safety concluded that our ingredients need to be stored at appropriate temperatures. To meet with this requirement, we store our ingredients in coolers, and the fully packaged boxes are also delivered in a cooler. Our delivery system is inspired by bike couriers; the boxes are delivered by volunteers on bicycles.

The final recipe designs are edited versions of recipes researched online. We concluded that vegetables, especially root vegetables, are inexpensive and therefore made all our recipes vegetarian. Furthermore, we will feature some seasonal recipes as the prices of certain ingredients fluctuate and drop through the year.

Strategic Plan

Greencrate at its core is a grocery and food delivery service, but it offers much more. For the price of \$5 per meal and \$1 to shipping to household, Greencrate quickly delivers affordable, healthy, and tasty food to low income households. Volunteer bike couriers deliver our Greencrates to customers in the Scarborough area, between 4pm and 7pm. While this is a complicated plan, there is a methodological step-by-step process of how our business will be implemented and function.

Initial setup would cost about \$1,500 CAD⁷ and take about two weeks. Setup would include getting initial materials such as our first shipment of bulk-purchased ingredients, container materials, and courier materials, and staff training for our couriers and customer service personnel. During those two weeks our website would be open for registration, with a message noting that our first delivery would be two weeks away. After two weeks is completed, Greencrate would be ready for business.

⁷ See Appendix 1.2.

The life cycle for each Greencrate follows a structure of Design, Purchase, Preparation, Assembly & Packaging, Delivery, and Customer Reception. The first step is Design: the recipe and ingredient list is designed, adhering to our model of affordability, nutrition, simple and quick to cook, and tasty. After the recipe and ingredient list is designed, Greencrate would purchase the ingredients from the Ontario Food Terminal⁸, and brought back to our headquarters⁹. Then, we would prepare the food, such as separating foods into the required serving size for each recipe, or possibly dicing and peeling specific ingredients. After Preparation is complete, the product is then Assembled and Packaged, with each ingredient put either into Ziploc bags or spice vials, and placed into our Greencrate boxes. In addition, we would place our recipe cards and other paper materials (such as special service updates or sponsorship materials) into the boxes. Once the product is Assembled and Packaged, it is then delivered to the customer: bike couriers would take our product from our home base to each customer house. Each courier would be outfitted with a courier bike, a cooler bag containing the Greencrates, and a written or typed list of each customer and their information. Once the courier arrives to the customer's place of residence, the product then enters the Customer Reception phase. The courier would give the customer the Greencrate(s) and, if applicable, collect payment and/or previous Greencrate boxes. The customer would then take the box, and using the provided recipe cards, cook the meal. Once the customer has finished using their box, they would save it to return it on the next delivery.

The life cycle for each Greencrate customer retains some similar elements. The customer would Discover, Register, Pay, Receive, and Consume the product. The customer would Discover our service through social media, advertisements, or connecting with local community centres and food services. Then, they would Register on our website¹⁰, providing their email, place of residence, phone number and their order plan. There are two options for our customer to Pay: online payment and pay-at-the-door. Customers would have an option to pay online on our website through PayPal, but also may instead choose to pay in cash at the door. After Payment is confirmed, the customer would wait for their Greencrates, and Receive them on the days that they ordered them, with payment and returning boxes if applicable. After receiving the Greencrates, the customer would cook the ingredients using the provided recipe cards. After finishing consumption of the meal, they would retain the Greencrate container, and give it back to the delivery personnel on the next delivery. Throughout the entire customer life cycle, there is an option to email Greencrate for customer service or inquiries.

⁸ Ontario Food Terminal Board |. (n.d.). Retrieved July 24, 2016, from <http://www.oftb.com/>

⁹ 18 Barrydale Crescent, ON, Canada

¹⁰ See <https://malsf21.github.io/greencrate/>

Greencrate's marketing plan uses three different mediums: paper, online, and community. For the paper medium, Greencrate has designed a promotional poster¹¹ that would be posted around the Scarborough areas, specifically on community poster boards and community centres, as well as online. For the online medium, there is a website that outlines Greencrate's vision and product¹², planned social media accounts for Facebook and Twitter to engage with our customers, and an email account for promotional and customer service purposes. Finally, our community medium would be interacting with local community centres and groups to bring awareness about our service.

Budgeting

One of our main selling points is that our product is cost-efficient: let's talk about why. The most expensive dish to date costs \$2.50¹³. The product is sold for \$5.00, creating a 100% profit on the food per product. Start up costs have been estimated to be about \$1,500.00¹⁴ and would cover food products for the month as well as all overhead incurred. Expenses after the first month are estimated to run roughly \$660.00 while gross income is estimated to be \$1,120. This leads to a profit of \$460. Even neglecting to factor in potential growth, our organization is estimated to profit almost two thousand dollars at the end of six months using a loan based start-up, or profit over three thousand dollars if this start up fee were to come from a loan. This organization requires start up funds likely coming from a government grant or a loan. All profit will be funneled back into the organization to fuel expansion and the acquisition of a larger user base. All these numbers have been calculated using market value, in reality we would purchase food in bulk from the Ontario Food Terminal, allowing us to make a greater profit.

Registration and Pricing

Greencrate aims to provide accessibility to all individuals in need. Thus, registration is online, through our website¹⁵. To create an account, the client provides us his/her contact information and address of residence, the latter for delivery purpose.

We provide a variety of nutritious, vegetarian dinners. Our recipes follow a 14-day-cycle. Payment for our service is \$1 for delivery fee per household and \$5 per meal kit. We provide two payment plans for our clients: online payment, through PayPal, or "at the door" payment. Both plans are

¹¹ See Appendix 1.3.

¹² Welcome to Greencrate. (n.d.). Retrieved July 24, 2016, from <https://malsf21.github.io/greencrate/>

¹³ See Appendix 1.2.

¹⁴ See Appendix 1.2.

¹⁵ See <https://malsf21.github.io/greencrate/>

accessible, simple, and cost-efficient. Precisely, they reduce both the traveling cost and time required by other types of food distribution service, such as food banks.

Purchasing and goods

Greencrate strongly believes that in order to generate revenue, we need to buy food at a very competitive, cost-effective price to make the \$5 price feasible. Goods and produce will be bought from vendors at the Ontario Food Terminal¹⁶. Vegetables and beans will be bought from this organization, and items such as lentils or tofu must be bought from farmers markets. In the near future, Greencrate believes we will be able to uphold contacts with commercial farmers making the produce more cost effective during seasonal changes.

Recipe and Menu Design

Greencrate provides recipe cards along with its ingredients. Each calendar season, Greencrate will feature and deliver 14 recipes, in a 2-week cycle. Each recipe on our menu is designed to be easy to cook in under 30 minutes, and adheres to our core values. Our recipes mostly feature vegetables or beans, a grain or starch, and spices. Due to the expensive, hard to store and cook nature of meats, our recipes will be vegetarian. Each of our recipes is printed on a recipe card¹⁷.

Preparation

Taste and efficiency are instrumental to our recipes. We believe that freshly cooked meals produce the best taste. Thus, for each meal delivered, we provide a recipe card and necessary raw ingredients. Each recipe card corresponds to one serving and is composed of a list of ingredients and an easy-to-follow procedure. Moreover, the cooking time of every meal never surpass half an hour. To preserve freshness and quality, our ingredients are purchased and delivered within 24 hours and stored under 4°C¹⁸ before delivery. When we receive an order, our volunteers prepare the corresponding servings of spices, oils, and other ingredients and possibly dice or peel certain ingredients during the day of the delivery.

Assembly

¹⁶ Vendors such as Amodeo Produce. 165 The Queensway, Etobicoke, ON M8Y 1H8. (416) 252-1121

¹⁷ See Appendix 1.4.

¹⁸ The ingredients are stored at our headquarters.

Each Greencrate box contains a recipe card, fresh ingredients, and details about any relevant updates to the service. To maintain the quality of the raw ingredients, our volunteers fill all spices and oils in vials and separately pack all ingredients in Ziploc bags. Then the boxes are delivered straight to the customer's door.

Delivery Process

The bike courier will have 3-8 Greencrates in a cooler bag. The delivery window is between 4 and 7 pm every evening. When the bike courier has arrived at the customer's place of residence, they will deliver the box straight to their doorstep.

The customer will be charged \$1 for the delivery itself, and \$5 per meal kit. Payment is usually at the door. However, customers can also pay online. The bike courier will carry a notebook containing information on the customer such as name, address, the number of boxes they ordered, at what time they wanted the boxes to arrive, and whether or not they paid online.

Once the crate has been delivered and paid for, the bike courier will pick up the box from the customer's previous order, if there was one. The empty box will then be placed inside the cooler, and the bike courier will return the box to Greencrate headquarters, where it will be washed and reused in future orders.

Environmental Sustainability

One of Greencrate's main priorities is to be environmentally sustainable and minimize waste. We try to achieve this goal by using as many reusable resources as possible. For example, the Ziploc bags that the ingredients are contained in can be either recycled or kept by the customer for future use, instead of being thrown away. In addition, the meal kits we provide only serve vegetarian food, which is environmentally sustainable. Another example is the reusable plastic container that our product comes in; at the customer's next order, we pick up the old container so it can be washed and then reused in a future order. All of our meal kits are delivered by bike couriers, lowering our carbon footprint.

Personnel Structure

Greencrate believes that our volunteers and staff will be the most significant stakeholders in the company. Volunteers must abide by the Canadian volunteer code of conduct. Additionally their integrity will be protected by Greencrate. Volunteers will help transport the Greencrates to specified customer locations. The human resources and staff will be hired upon creation of the company. Employee engagement strategies will be taken into consideration three or four months after the company has been

established. Eight employees will be hired upon the creation of the company to serve 25 families/customers.

Food Safety

Because Greencrate is a non-governmental organisation that transports fresh food ingredients, it needs to abide to certain parts of the Canadian Government's Guide to Food Safety¹⁹. It states that: "The temperature during transportation should be controlled to prevent product deterioration."²⁰ It also explains what that temperature is: "Ingredients and products requiring refrigeration should be transported and stored at an appropriate temperature (for example, 4°C or less but not frozen)."²¹

Morals and Ethics

Greencrate has three main core values. Our first value is respect. We will always respect our customers. We realize that they are all regular people who have limited time and money, and might have fallen on hard times; so we strive to provide them a mechanism to get back on their feet through affordable, nutritious, and expedient food. We respect the farmers by buying all their food at a fair price. But overall, Greencrate treats every human being with the highest level of respect. Our second core value is integrity. We promise that, with every single person we interact with, we maintain the highest standard of honesty and integrity. Overall, Greencrate will uphold strong moral principles when we interact with anyone. Our last core value is providing the customer with an amazing product. We promise to work our hardest to develop the best possible product, through new innovative measures, or through efficiency tests. Greencrate values these three principles throughout our entire business operations.

Marketing

Greencrate's marketing plan uses three different methods to reach the target audience: paper, online, and community. For the paper medium, Greencrate has created and designed a promotional poster²² which will inform the consumer about the costs and benefits that accompany using this service. This poster will be displayed around the Scarborough Area, more specifically on community poster boards and community centres, as well as posted on our various social media accounts. For the online medium, there is a website²³ that explains Greencrate's vision and product, which allows the consumer to get

¹⁹ Guide to Food Safety. (n.d.). Retrieved July 24, 2016, from <http://www.inspection.gc.ca/food/non-federally-registered/safe-food-production/guide/eng/1352824546303/1352824822033#s1-2-2>

²⁰ In section 1.2.1

²¹ In section 1.2.2

²² See Appendix 1.3.

²³ See <https://malsf21.github.io/greencrate/>

information and understanding of our organisation. We also have planned social media accounts for Facebook and Twitter, that permit us to engage with our customers by answering and acknowledging their inquiries. There is also a email account that is in place for our company to use for promotional and customer service purposes, which includes answering questions about our organisation, and giving information about our various benefits. Finally, our community medium would be interacting with the community centres and groups in the Scarborough Areas, to allow us to bring a bigger awareness about our product.

Conclusion

Currently, we are at a prototyping stage and are not yet a fully launched organisation. In the distant future, we aim to expand our services to all regions of Ontario so that we are able to reach out and help as many individuals as possible. If we generate enough revenue, we would like to use it to hire permanent staff, since this would be more reliable than volunteers who may have other personal commitments. We would also hire more bike couriers so that we are able to serve more customers more efficiently. Another improvement we would make would be to improve our menu by having a larger selection of meals. To be able to match our growing service, we would also have to invest in storage that is larger and more secure.

In conclusion, we strongly believe that Greencrate is a feasible solution to food insecurity in the Scarborough area. Our inexpensive online order plus delivery system is more convenient than purchasing groceries and can save individuals valuable time and money. The meals are nutritious and better for one's health than fast food or other low-cost options, thus contributing to a healthy lifestyle. Greencrate's vision is to provide low income families with nutritious meals that are easy to cook, and we believe our service will be able to accomplish this.

Appendix

1.1 Research Through Interviews

Our team conducted a telephone interview with Greg Stevens, Ontario Food Terminal, on July 14th 2016. We conducted our second interview with Nicole Buchanan, from a food bank in Scarborough, on July 17th 2016. Both interviews have a duration of around 15 minutes and turn around the feasibility of our food delivery service and the pricing of different ingredients.

1.2 Greencrate Start Up Expenses

Greencrate Start Up Expenses	
Food	\$560.00
Ice Packs	\$35.00
Cooler Bags	\$45.00
Knives	\$30.00
Packaging Materials	\$200.00
Bikes	\$350.00
Marketing	\$100.00
Miscellaneous	\$180.00
TOTAL:	\$1,500.00
*All estimates based on the sale of eight boxes per day	

Ingredient	Cost per recipe
Tofu	\$1.24
Salt	<i>Negligible</i>
Turmeric	\$0.09
Oil	<i>Negligible</i>
Bell Pepper	\$0.50
Onion	\$0.62
Garlic	\$0.05
Total:	\$2.50

Let's talk about

Food Insecurity

From  Greencrate

1 in 2 families in Canada



find cost a barrier to **healthy meals**¹

Greencrate lowers food prices
by bulk purchasing healthy foods

\$ \$ \$ |   

passing on the savings to consumers

Greencrate meals are only	Greencrate meals are delivered to your door	Want to learn more about Greencrate?
\$5		 malf21.github.io/greencrate
per box, and are jam-packed with healthy food	saving on transporta- tion costs and time	 @greencrate
		 Greencrate
		 customer@greencrate.ca

 **Greencrate**

¹No Kid Hungry, 2011

1.4 Sample Card

Tofu Scramble

Ingredients:

- 1 package of tofu
- 1/4 tsp salt
- 1/4 tsp turmeric
- 1/2 tbsp oil
- 1/3 bell pepper
- 1/3 onion
- 1/2 clove garlic

Procedure:

1. Dice (chop finely) bell pepper, onion, and garlic.
Smash tofu with a fork.
2. Heat pan and oil over medium heat.
Add bell peppers, onion, and garlic.
Sauté (toss around pan) for 2-3 minutes.
3. Add crumbled tofu, salt, and turmeric.
Cook for about 15 minutes, stirring constantly.
Remove from heat when tofu begins to brown.

Greencrate 