

Meza.Made - Expansion of a New Venture

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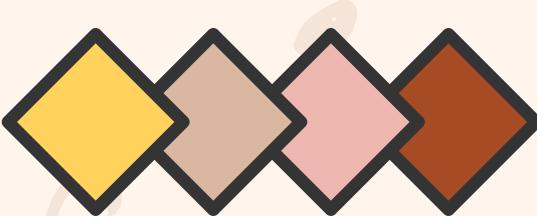


Table of Contents



1: Introduction

2: Industry and Company Analysis

3: Strategy, Policies, Financials

4: Conclusions

Background

- Founded in 2022
- Husband and wife team
- 10+ years in sales; 18+ years in QSR
- Local ingredients, delivery model only
- Advertising & ordering through Instagram



Key Issues

1.

Order capacity limited to 40 transactions per day

2.

Limited experience running own business; no formal business education

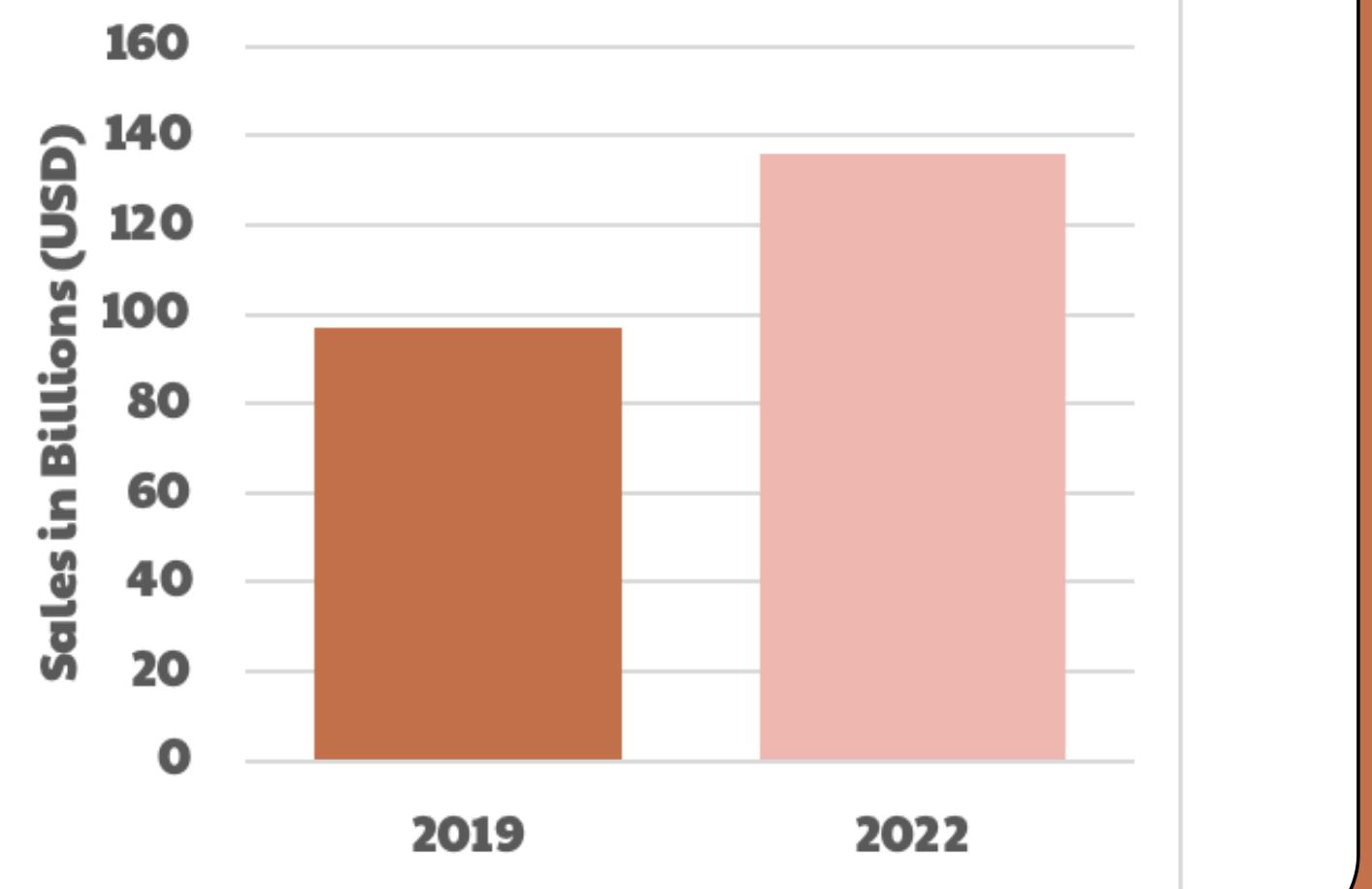
Industry Trends

- Madera's annual growth rate: 2.14%; Population increase by 6.55% since the last census.
- Growing interest in supporting local businesses post-COVID.
- Market trends: Rotating seasonal menu, diverse food options, and focus on quality.

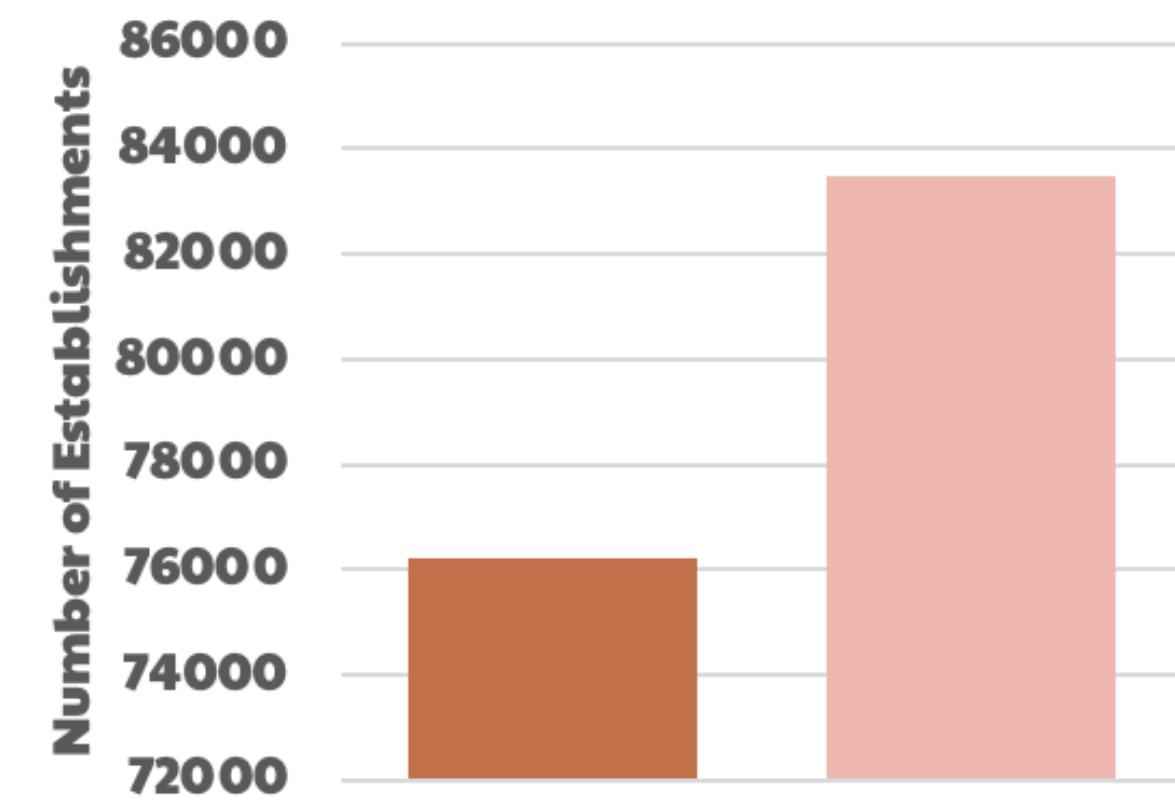


California Restaurant Industry

Food Sales



Establishments



Economic Forecast



- Gradual increase in daily sales from \$500 to \$1,500-\$2,500 in 2 years.
- Establishment of an in-store location and collaborations with local makers, artists, and sellers.
- Basis for projection: Growing trust within the community, expansion from delivery to in-store hub, and increased visibility.

Competitive Landscape

Competition is a driving force in any industry, and for Meza.Made, understanding and navigating the competitive landscape is a strategic imperative. Competitors serve as benchmarks, providing insights into industry standards, customer expectations, and innovative practices.

1.

- The Vineyard Restaurant & Bar established in 1977.
- 4 ½ star rating on TripAdvisor
- Local ingredients and farm-to-table

2.

- Black Bear Diner, a local chain, is highly rated on the West Coast
- Competitive prices, friendly staff, popular menu

- Meza.Made is in a competitive landscape with local eateries and chain food delivery services.
- Unique value proposition: Collaboration with local artisans, large rotating menu.
- Competitive advantage: Meza.Made's distinct offerings and focus on community collaboration.



Possible Challenges

Materials

- Challenge: Reliance on local and seasonal ingredients may face hurdles due to climate variations.
- Impact: Ensuring a consistent supply chain becomes crucial, especially with higher pricing, to maintain stability in product offerings.

Financial

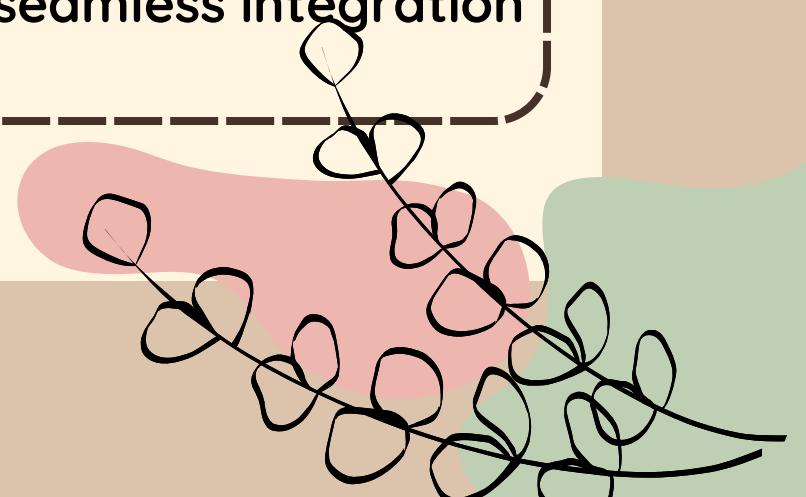
- Limited Initial Investment can lead to potential challenges during renovations
- Securing additional funding is vital for achieving long-term growth goals, including the establishment of more in-store locations.

Preferences

- Adaptation: Evolving consumer preferences in dietary choices, delivery options, and dining experiences necessitate staying attuned to trends and feedback.
- Flexibility: Meza.Made should adjust its menu and services to align with changing consumer expectations and preferences.

Technology

- Integration Needs: Developing tech solutions for operational efficiency, including delivery process enhancements and order management.
- Challenges: Balancing technological advancements with the personalized touch and ensuring seamless integration might be challenging.



Organizational Structure

Current Roles:

- Sam oversees menu creation, food preparation, and bakery activities.
- Javier manages delivery and order production.
- Both co-founders are involved in administrative tasks.

Future Concerns:

- As Meza.Made grows, potential team expansion and the introduction of department heads may arise.
- Clear delineation of authority crucial for efficiency and cohesion.
- Recruitment of specialists like marketing professionals and a restaurant manager will optimize responsibilities.



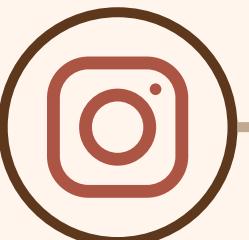
Marketing and Promotion



Tiered pricing (\$3 to \$12 per item) caters to diverse budget ranges - need to ensure sales cover expenses



Current menu includes sandwiches, salads, baked goods, yogurt, coffee, and juices made with local/seasonal ingredients - flexibility needed if supplies change



Advertising and ordering all done through Instagram - diversification will allow greater market penetration



Production and Operations



Source from diverse, local suppliers for fresh, high-quality, sustainable ingredients - backups necessary for supply chain issues



Prioritize quality over quantity - assess demand patterns for efficient scheduling; increased quantity can't sacrifice quality



Develop strong supplier relationships and implement inventory management for cost-effectiveness - important as operations scale up

Finances



Financial records are currently incomplete - emphasize importance of accurate financial records for future success

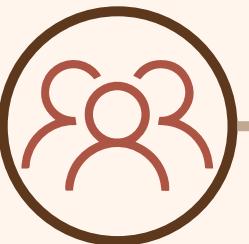


Current sales exceed COGS and other expenses - sales will have to increase with rent, utilities, salaries, etc

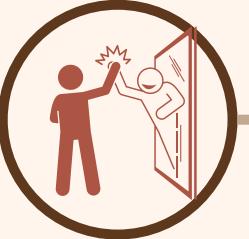


No external investors, all funding comes from founders - considering seeking external funding to support short-term growth phase

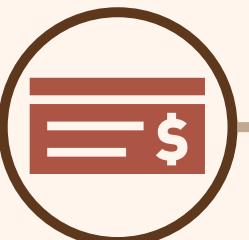
Personnel



Current employees are the owners - new employees will be necessary to increase sales per day



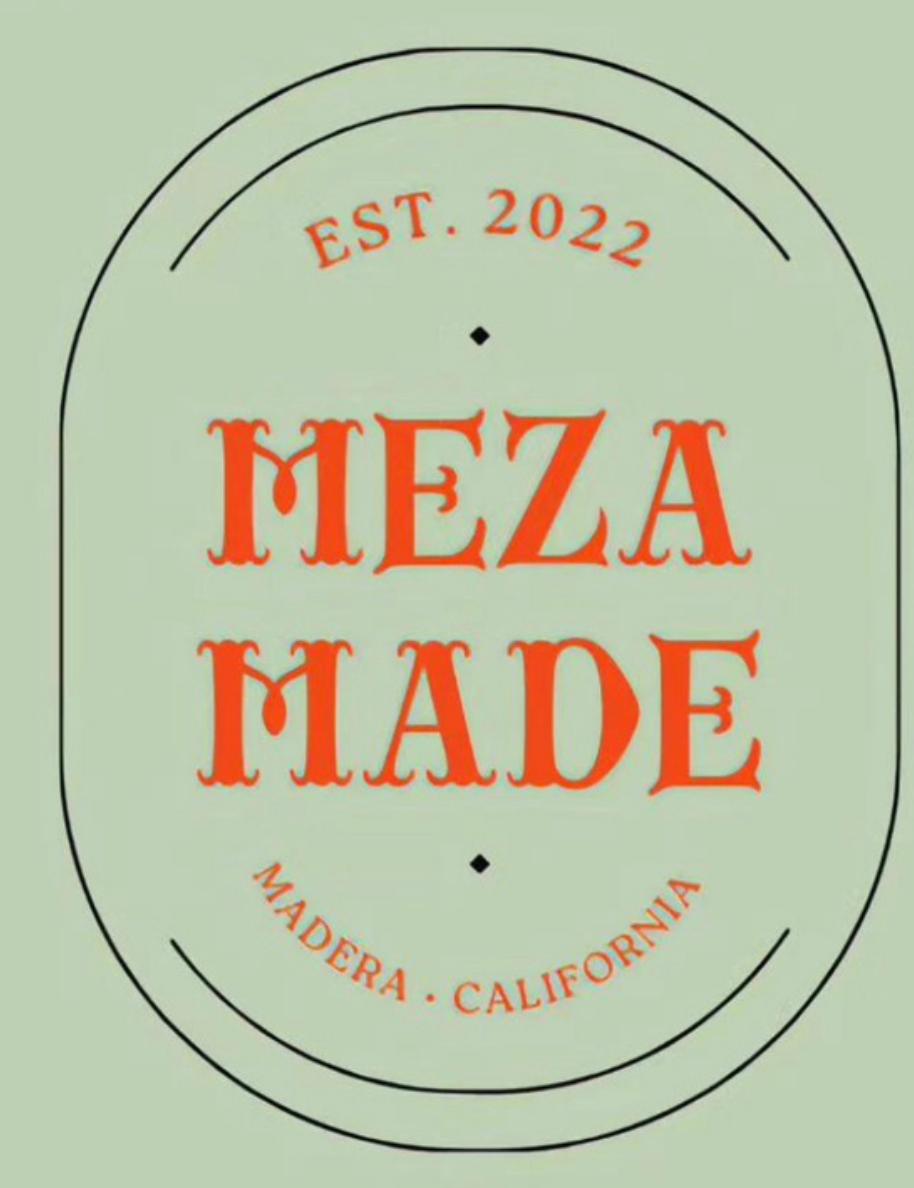
Owners are very motivated to see business succeed - need to develop HR strategy to inspire new employees to have that motivation



Net income after taxes provides owners' salary - new employee salaries and benefits will be costly; important to create appropriate pay structure

Growth Strategy

- Strategy: Increase daily transaction capacity from 40 to 100 within 12 months and to 150 within 24 months
- Why this strategy?
 - Operational constraints identified as a bottleneck to meeting growing demand for food delivery
 - Predicted population growth in Madera County increases customer base



Rejected Alternatives

This strategy fails to align with the company's overarching objective of sustained growth and expansion in the market.

Diversification into New Markets

Retain autonomy over brand identity, customer experience, and culinary quality. Might compromise Meza.Made's unique value proposition and control over its offerings, as well as decreasing profits.

Maintaining Status Quo

The existing demand in Madera presents a significant growth opportunity that would be diluted by diverting resources into unexplored markets prematurely.

Partnership with Existing Delivery Services

Major Actions



Goal 1

Brick-and-Mortar Expansion: dedicated physical location to augment transaction capacity and provide an immersive in-store dining experience, fostering deeper customer connections



Goal 2

Financial Management: implementation of meticulous financial record-keeping protocols to facilitate data-driven decision-making and ensure operational efficiency.

Goal 3

Marketing and Promotion: robust marketing plan that capitalizes on digital platforms, local media, and the community to heighten awareness of the expanded capacity and the novel in-store experience

Major Actions



Goal 4

Hiring and Training:
Systematic recruitment of additional staff, complemented by comprehensive training programs covering order processing, food preparation, and delivery protocols.

Goal 5

Technology Upgrade:
Investment in advanced systems, including Point-of-Sale, Customer Relationship Management, and inventory management to enhance efficiency.





Key Policy Objectives to Support Growth Strategy



1

Establish a clear transition plan from a delivery-only service to a restaurant model, addressing staffing, operations, and customer service.

2

Increase brand visibility and attract new customers as the business transitions to a restaurant model.

3

Streamline operations to meet the increased production targets and ensure customer satisfaction.



Key Policy Objectives to Support Growth Strategy



4

Maintain accurate records in the form of cash flow statements, balance sheets, and income statements.

5

Implement cost control measures to increase profits.

6

Establish a comprehensive employee training and development program to ensure consistent quality in customer service.

Income Statement for Meza.Made						
End of Year	2023		2024		2025	
	Amount (\$)	% of Sales	Amount (\$)	% of Sales	Amount (\$)	% of Sales
Total Revenue	\$80,000	100	\$150,000	100	\$250,000	100
Cost of Goods Sold	\$16,000	20	\$30,000	20	\$50,000	20
Gross Profit	\$64,000	80	\$120,000	80	\$200,000	80
Operating Expenses						
Salaries and Wages	\$0		\$50,000	33.33	\$100,000	40
Rent	\$0		\$17,700	11.8	\$17,700	7.08
Utilities	\$3,000	3.75	\$8,400	5.6	\$8,400	3.36
Marketing and Advertising	\$0		\$5,000	3.33	\$5,000	2
Depreciation	\$0	0	\$1,000	0.67	\$1,000	0.4
Other Operating Expenses	\$0		\$45,000	30	\$0	
Total Operating Expenses	\$3,000	3.75	\$127,100	84.73	\$131,100	52.44
Operating Income	\$61,000	76.25	-\$7,100	-4.73	\$68,900	27.56
Other Income and Expenses						
Investment Income	\$0		\$30,000	20	\$0	
Total Other Income and Expenses	\$0		\$30,000	54.73	\$0	
Net Income Before Taxes	\$61,000	76.25	\$22,900	15.27	\$68,900	27.56
Income Tax Expense	\$6,885	8.61	\$4,581	3.05	\$13,780	5.51
Net Income	\$54,115	67.64	\$18,319	12.21	\$55,120	22.05

Balance Sheets

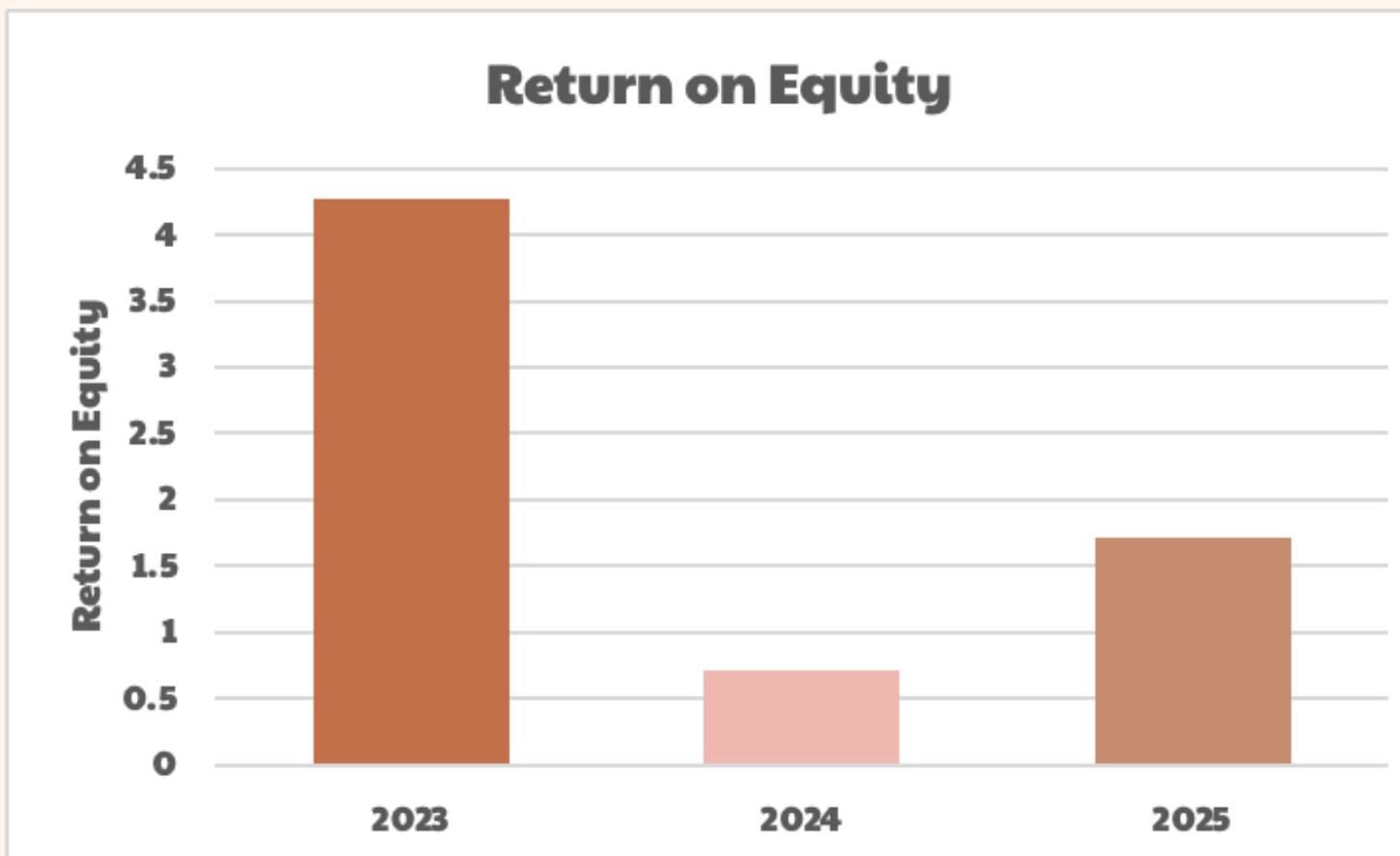
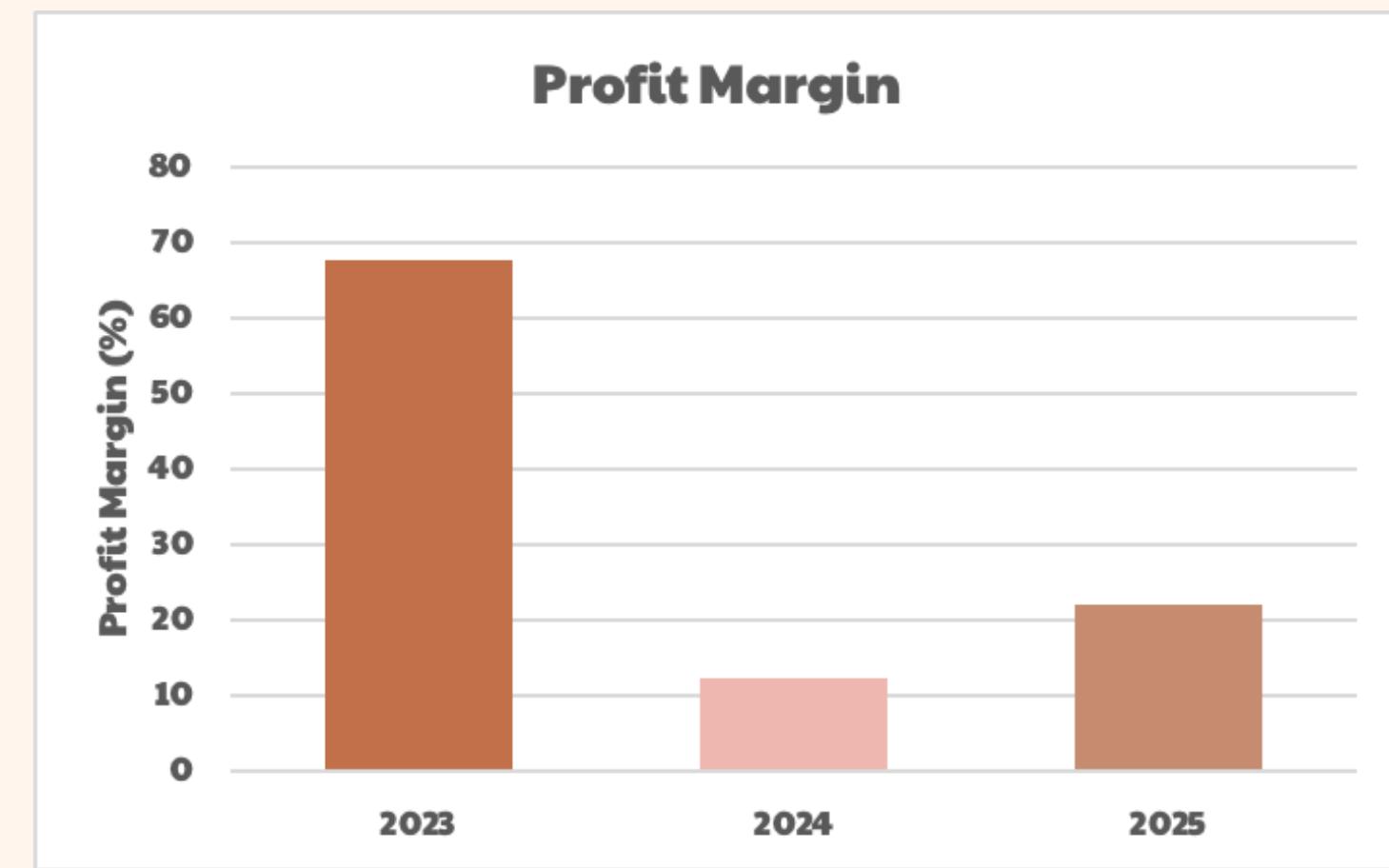
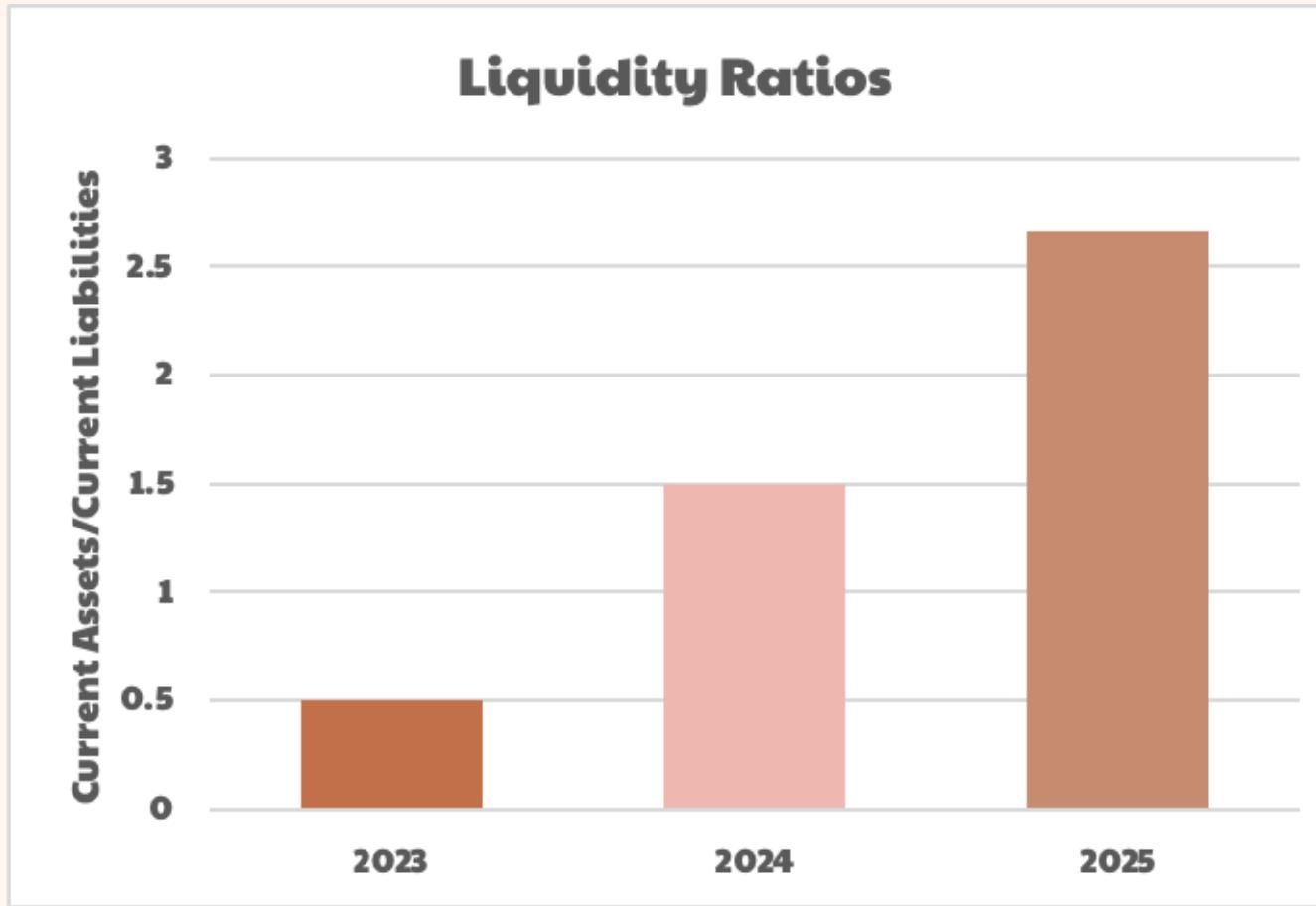
2023			
Assets		Liabilities & Equity	
Current Assets		Current Liabilities	
Cash	\$54,115	Accounts Payable	\$700
Accounts Receivable		Short-term Loans	
Inventory		Rent Payable	\$1,470
Prepaid Expenses		Total Current Liabilities	\$2,170
Total Current Assets	\$54,115		
		Long-Term Liabilities	
Long-Term Assets		Long-Term Loans	
Equipment	\$10,000		
Furniture/Fixtures		Owner's Equity	
minus depreciation		Owner's Equity	\$10,000
Total Long-Term Assets	\$10,000	Retained Earnings	\$51,945
		Total Equity	\$61,945
Total Assets	\$64,115	Total Liabilities and Equity	\$64,115

2024			
Assets		Liabilities & Equity	
Current Assets		Current Liabilities	
Cash	\$18,319	Accounts Payable	\$700
Accounts Receivable		Short-term Loans	
Inventory		Rent Payable	\$1,470
Prepaid Expenses		Total Current Liabilities	\$2,170
Total Current Assets	\$18,319		
		Long-Term Liabilities	
Long-Term Assets		Long-Term Loans	
Equipment	\$10,000		
Furniture/Fixtures		Owner's Equity	
minus depreciation	-\$1,000	Owner's Equity	\$24,000
Total Long-Term Assets	\$24,000	Retained Earnings	\$16,149
		Total Equity	\$40,149
Total Assets	\$42,319	Total Liabilities and Equity	\$42,319

2025			
Assets		Liabilities & Equity	
Current Assets		Current Liabilities	
Cash	\$55,120	Accounts Payable	\$700
Accounts Receivable		Short-term Loans	
Inventory		Rent Payable	\$1,470
Prepaid Expenses		Total Current Liabilities	\$2,170
Total Current Assets	\$55,120		
		Long-Term Liabilities	
Long-Term Assets		Long-Term Loans	
Equipment	\$10,000		
Furniture/Fixtures		Owner's Equity	
minus depreciation	-\$2,000	Owner's Equity	\$23,000
Total Long-Term Assets	\$23,000	Retained Earnings	\$52,950
		Total Equity	\$75,950
Total Assets	\$78,120	Total Liabilities and Equity	\$78,120

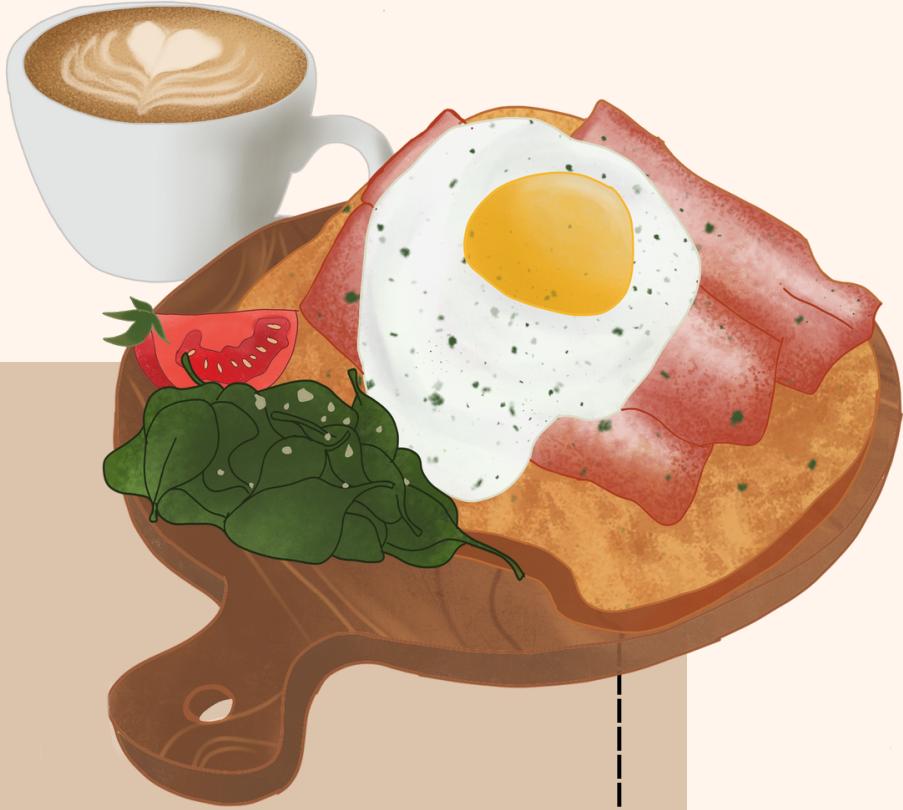
Cash Flow Statement for Meza.Made				
End of Year	2023	2024	2025	
Opening Cash Balance	\$0	\$0	\$0	
Operating Activities				
Cash from customers	\$80,000	\$150,000	\$250,000	
Cash paid to suppliers	-\$16,000	-\$30,000	-\$50,000	
Cash paid to employees	\$0	-\$50,000	-\$100,000	
Cash paid to marketing firm	\$0	-\$5,000	-\$5,000	
Cash paid in rent	\$0	-\$17,700	-\$17,700	
Cash paid in utilities	-\$3,000	-\$8,400	-\$8,400	
Other operating expenses	\$0	-\$30,000	\$0	
Depreciation	\$0	\$1,000	\$1,000	
Cash paid in income taxes	-\$6,885	-\$4,581	-\$13,780	
Net Cash from Operating Activities	\$54,115	\$5,319	\$56,120	
Investing Activities				
Cash from investments/assets	\$0	\$30,000	\$0	
Cash paid for investments/assests	\$0	-\$15,000	\$0	
Net Cash from Investing Activities	\$0	\$15,000	\$0	
Financing Activities				
Cash received from borrowing	\$0	\$0	\$0	
Cash paid for debt repayment	\$0	\$0	\$0	
Net Cash From Financing Activities	\$0	\$0	\$0	
Net Increase/Decrease in Cash	\$54,115	\$20,319	\$56,120	
Ending Cash Balance/Net Income for Owners	\$54,115	\$20,319	\$56,120	

Selected Ratios



Conclusions

- Successful delivery only with strong word of mouth/social media profile
- Solid plan for gradual expansion
- Important to keep accurate financial records, particularly with added expenses
- 10 year plan of multiple locations is feasible once first location reaches maximum probability
- Visit them for brunch soon!



THANK YOU SO MUCH!

