



kiwikaiTM

DESN 301

Strategic Design Business Proposal

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EXECUTIVE SUMMARY

KiwiKai™ - a food delivery service to students

The New Zealand population has a growing trend around healthy eating habits somewhat as a result of the huge obesity rates within the adult population.

Research shows obesity starts from the student age (18 - 25) onwards into adult hood. Eating habits should be targeted at students experiencing their first time with full independence, moving away from home into a flatting environment.

Recently, healthy eating trends have been becoming increasingly popular amongst society, however there is not yet a direct target to the student population in New Zealand. There are 132,297 students currently in New Zealand with 25,000 Dunedin students and approximately 5000 student flats. Students also have extremely busy lifestyles with both full time study and part time jobs. Therefore finding time to negotiate and coordinate flat meals weekly as well as carry out a supermarket shop is an issue many student flats face, often resulting in flat tension and arguments making the already busy lives of students much more stressful.

That's where KiwiKai™ comes in, offering preplanned recipes with pre portioned ingredients delivered straight to student flats ready to cook 5 meals for the week. Students can sign up on the KiwiKai™ website or by the smartphone application. KiwiKai™ does the supermarket shop for students, carefully creating nutritious and healthy recipes, sourcing the freshest produce from local suppliers, pre portioning ingredients, printing recipe cards and delivering straight to the consumers door on Sunday's or Monday's, whichever day suits each flat best.

There are 6 different options students can choose from:

- 5 people: \$150
- 6 people: \$180
- 7 people: \$210
- 8 people: \$240
- 9 people: \$270
- 10 people \$300

Each week 15 recipes will be posted online for flats to choose 5 from. These recipes change weekly and are based on seasonal produce as well as what is available from suppliers.

KiwiKai's™ main stakeholders include the student population, local suppliers providing fresh produce and meat, wholesale food suppliers, packing suppliers and staff. All of these stakeholders play a key role in the day to day operational activities of KiwiKai™.

KiwiKai™ is targetting 450 student flats in their first year of production and will make a loss of -\$107,000.00. However, in the 2nd year of production awareness has risen and the market share has doubled. This means KiwiKai™ will break-even by the end of the 2nd year and a profit in year 3. The predicated average growth rate is 17% per annum (pa) from years 2-5, and plateau to 8% pa from years 6-10. Initial financing of start up costs will come from a non guranteed \$210,000 bank loan with an interest rate of 11%. The loan will be paid off by the end of year 5 .

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CONTEXT

KEY PROBLEMS FOR STUDENTS



"Given the high interest in getting healthier, there's an opportunity for suppliers and retailers to better align their offerings to consumer needs and desires for innovative, tasty foods with health benefits."¹

CUSTOMER SURVEY FEEDBACK

Do you have problems organising a flat supermarket shop?

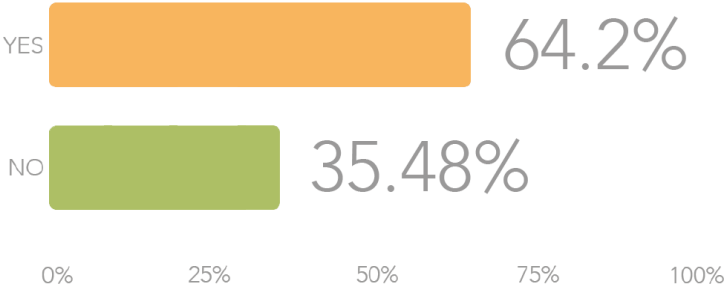


Figure 1.

Do you often skip meals due to your busy student lifestyle?

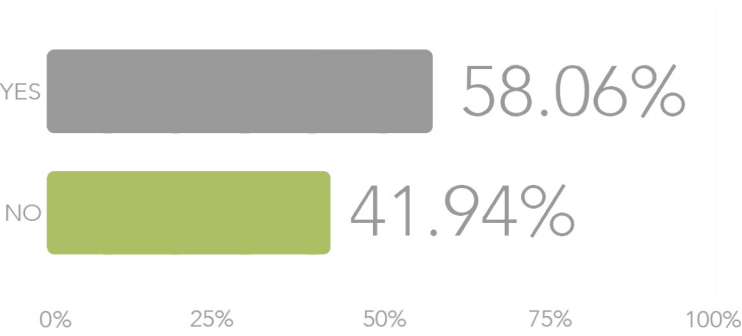


Figure 2.

Do you find it difficult eating healthy while doing flat meals?

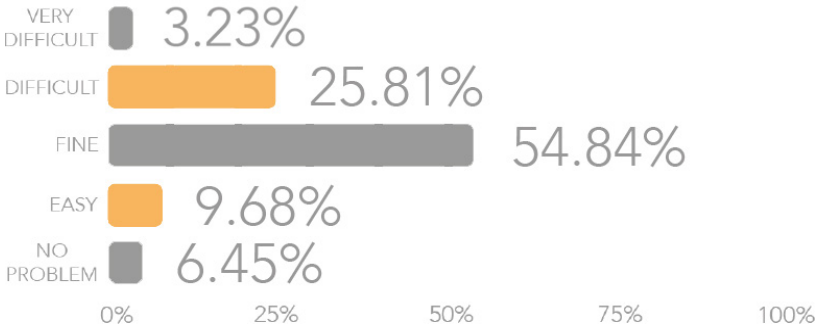
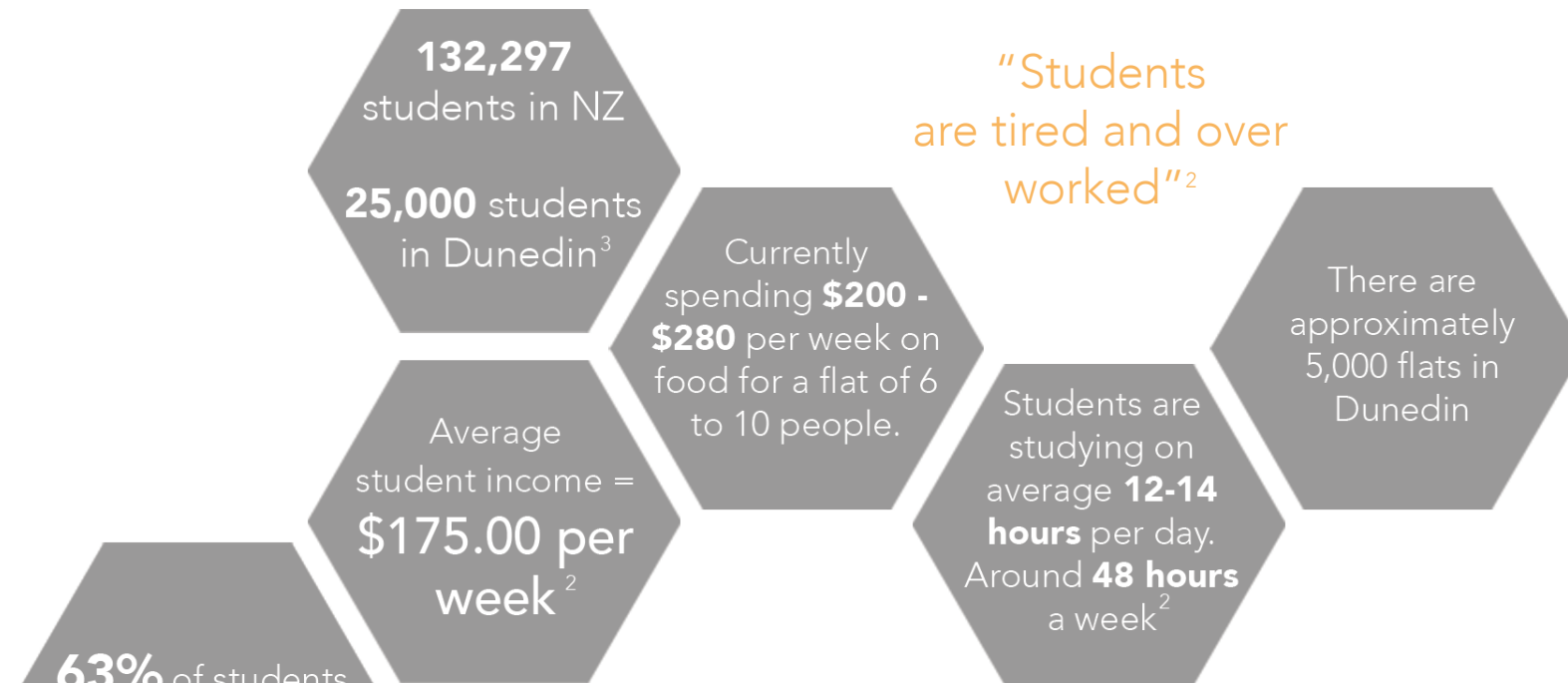
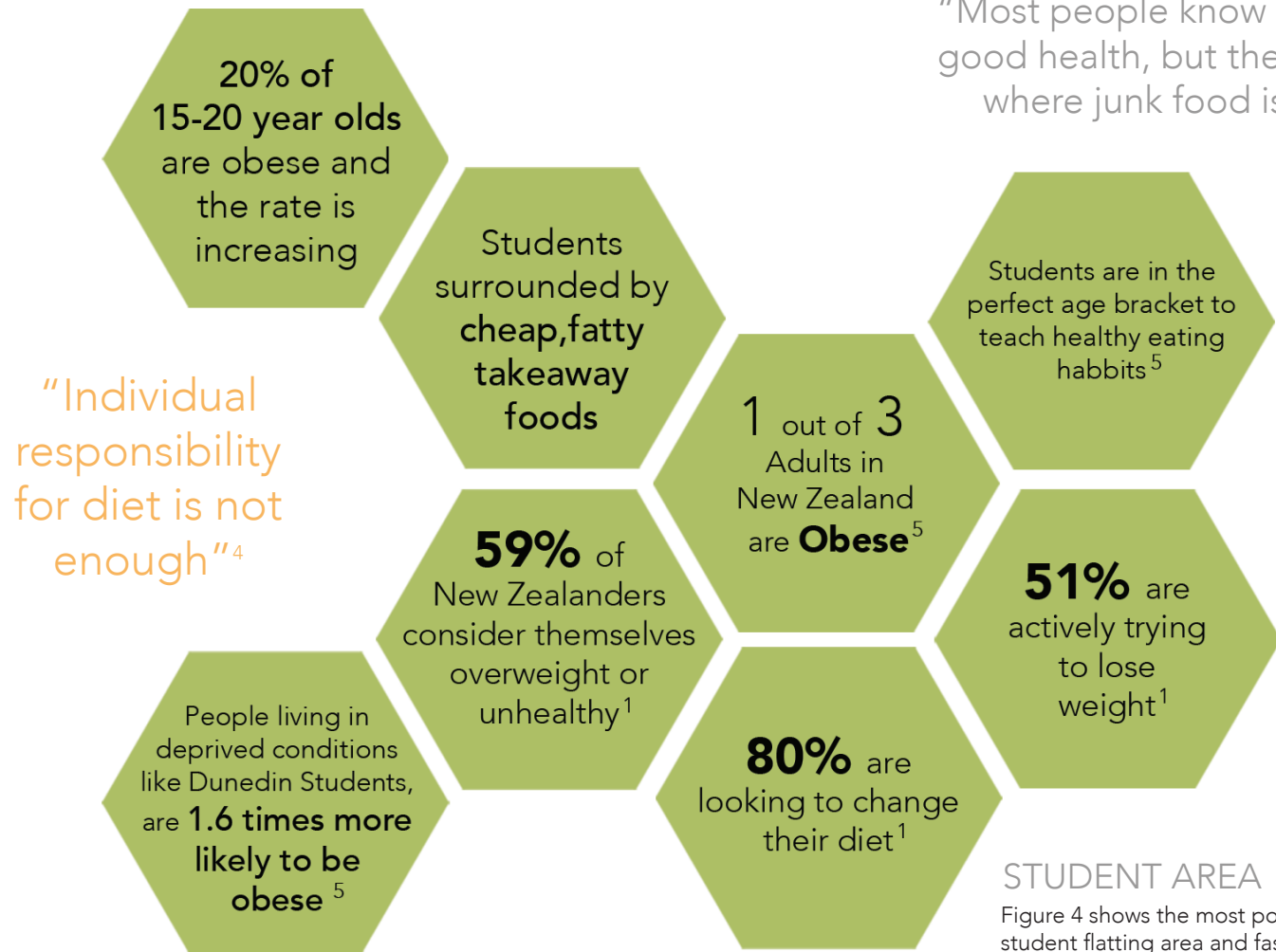


Figure 3.

STUDENT LIFESTYLES



NEW ZEALANDS DEMAND FOR HEALTH



“Most people know what they should be eating for good health, but then they go into an environment where junk food is so easily available its really hard”⁴

STUDENT AREA

Figure 4 shows the most populated student flatting area and fastfood franchise locations.



Figure 4.

THE SOLUTION

What and Why?

Becoming independent and moving into a flatting environment is the first step of independence for young adults and students. One of the biggest issues students face in flatting environments is the organisation and coordination around the supermarket shop each week. The main aspects that impact students in regard to planning and organising meals each week are; fitting in meals and supermarket shops around their busy lifestyles, the organisation of the weeks meals and eating healthy is of high importance to most students but is difficult to do so in a flatting environment. Students find themselves often skipping meals, opting for fatty, cheap takeaway options and ending in flat arguments trying to fairly organise meals each week. On top of this there is an increasing issue surrounding obesity stemming from the age of 18 when students move away to university. The trend of healthy eating is rapidly increasing and there is a huge student following for this trend.

The need is a service that will provide healthy food packages to student flats weekly. These food packages will include all fresh produce, meat and dry ingredients as well as recipes to cook 5 meals weekly for the flat. The food packages will be delivered to students flats on Sunday's and Monday's ready for the week.

This concept is tailored to allow students in flatting environments to:

Experience ultimate convenience to fit in with their busy lifestyles.

Learn healthy eating habits, recipes and cooking skills.

Solve problems around the negotiation and coordination of planning meals and supermarket shops weekly.



Who and How?

Starting off by targeting the 25,000³ student population in Dunedin. A survey carried out on 50 2nd year to 4th year students from the University of Otago showed that **87.1%** of participants would be interested in this service.

96.77 % think such a service would be beneficial to students and their busy lifestyles, **96.77%** also believe it would benefit students wanting to eat healthy.

The process is based around the idea of coming straight from the farm to your fork. Students will be able to sign up online and carry out the ordering process. Selecting how many people in their flat, from 5 - 10 people, and being able to choose 5 meals from an available 15 weekly. These recipes change depending on suppliers and what produce is available each week. The packages are then created for each individual order and delivered with all ingredients pre portioned and step-by-step recipes ready to cook each week.

Where?

KiwiKai™ will begin targeting the student population in Dunedin. Looking to expand to other student populated cities in the future, such as Wellington (35,581 students), Christchurch (14,928 students) and Auckland (53,050 students)³. There will be a main office and storage/factory facilities to create the packages and store produce and ingredients. Then the packages are delivered to students around the Dunedin area. There will be a website and smartphone application used to sign up and order from KiwiKai™ as well as an 0800 customer service number for students to call between the hours of 9am and 9pm daily.

THE SYSTEM



Fresh produce is sourced from local suppliers. KiwiKai™ customers will be able to track where their fresh produce, meat and ingredients were sourced from by going onto the KiwiKai™ website.



All ingredients, fresh produce and meat are delivered to the KiwiKai™ Factory. Recipes for the following week are posted on a Monday, the week prior, once KiwiKai™ are aware of what produce is available from suppliers each week.



Customers will sign up online via the KiwiKai™ website or smartphone application. Consumers will enter their personal information and payment method. They will also select from 1 of 6 sizes of food bags and choose delivery for either Sunday or Monday. The customers account will then be created and confirmed via email. The account is now up and running.



Each week 15 recipes will be posted online, accessible by both website and smart phone application. These recipes are based on seasonal produce and what is available from suppliers each week. Meal options will include vegetarian, beef, chicken, fish, pork and lamb recipes. Customers choose 5 meals weekly and each recipe has been carefully created to be nutritious and healthy.



Meal ingredients are pre portioned and packaged for delivery. Recipe cards are printed, these are also available on both the website and smartphone application with video demonstrations available.



An email or smartphone notification will be sent when the customers order is on its way. Consumers choose at sign up whether they will prefer delivery on Sunday's or Monday's. Refrigerated delivery trucks then pick up the orders to drop to the consumers door.



KiwiKai's™ friendly staff will drop off the food packages containing 5 meal ingredients and recipes for the week. After sales customer service is available week days from 9am to 9pm to answer any questions consumers may have.



Consumers now cook and enjoy healthy delicious meals at ultimate convenience. Less flat disruptions and arguments and more time for students to spend on their daily activities.

FROM FARM TO FORK

From farm to fork is a key part of Kiwikai™ and the customer experience. Kiwikai™ completely cuts out the middle men and takes produce straight from the supplier directly to its customers. It's an experience based application connected to the website and smartphone application. Influenced through Icebreakers idea of tracking garments back to the very farm the wool was taken from. Kiwikai™ has decided to let consumers track their produce back to where it comes from to give them some security and trust in the service and where it's supplies are sourced.



Figure 5.

DELIVERY MAP

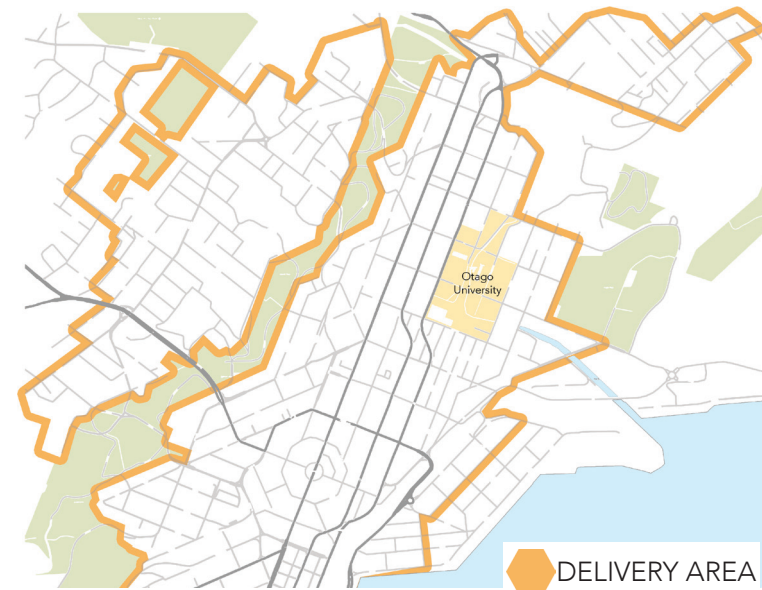


Figure 6.

Figure 6 shows the outline of the area that Kiwikai™ will deliver. The area covers the whole of north Dunedin moving into the western and southern parts of the city. This area is highly populated by students and Kiwikai™ hope to gain enough sales without delivering too far.

COMPANY PROFILE

From farm to fork, KiwiKai™ is aiming to eliminate flat arguments and altercations caused by the stress of planning and organising weekly meals and supermarket shops around their busy student lifestyles and trying to remain healthy at the same time.

The KiwiKai™ service does exactly this by providing healthy and nutritious, pre planned recipes with pre portioned ingredients including fresh produce and meat delivered straight to student flats at ultimate convenience and at an affordable price.

Developed and created by two University of Otago students, who have a first hand experience of problems surrounding negotiation and coordination of healthy flat meals and carrying out a super market shop weekly.

GOAL

Solve problems around negotiation and coordinating healthy meals and the supermarket shop weekly in a flatting environment.

OBJECTIVES

1

Influence healthy eating habits of students

2

Provide ultimate convenience to fit in with busy student lifestyles

3

Learn new healthy recipes and cooking skills

4

Provide affordable, healthy, pre planned recipes with pre portioned ingredients ready to create 5 meals a week for a flatting environment

INDUSTRY ANALYSIS

KiwiKai's™ service is positioned within a few industries these being pre planned meals, healthy eating and the food delivery industry. There are a number of existing offerings who have been identified as both direct and indirect competitors to the KiwiKai™ service however majority of these are not directly targeted at the student population. Adult and children demographics are more closely targeted within these food industries.



Identified Direct Competitors

MY FOOD BAG

My food bag is a food delivery service offering pre planned meals, recipes and ingredients to consumer doors. My Food Bag has been created and developed by the winner of New Zealand Masterchef Nadia Lim⁶. They are KiwiKai's™ biggest competitor as they run an almost identical business but targeted at higher end consumers and towards adults and families. My food bag strives to use fresh seasonal produce and chooses free-range and sustainably farmed products whenever possible. In comparison to KiwiKai™, My Food Bag is a gourmet service on the market and does not fit the needs of the student market as prices are high and not flexible to the needs of the flatting environment.

My Food Bag Products:

My Classic Food Bag: \$192.50 (4 adults, 5 meals)

My Family Food Bag: \$162.50 (2 adults & 2-3 children, 5 meals)

My Gourmet Food Bag: \$142 (2 adults, 4 meals)

My Veggie Food Bag: \$119 (2 adults, 4 meals)

My Own Food Bag: \$94.50 (4 meals, 1 is a double serving)⁶



MEAT MAIL

Meat mail is a Dunedin business started by university students. They are a service delivering high quality meat and fresh produce to consumers doors. Meat mail is a direct competitor of KiwiKai™ as they are targeting the student market and are delivering produce to consumers doors. Meat Mail are on a mission to shorten the distances between farm gate and consumers plates⁷, a similar goal to that of KiwiKai™. However, in comparison to KiwiKai's™ service, students view the Meat Mail service as having poor portion sizes, high prices and does not provide ultimate convenience as a full supermarket shop and meal planning is still necessary each week.

Meat Mail Products:

Prices vary with many options:

Starting with \$9.99 for one piece of rump stuck, \$100 for one roll of premium eye fillet and around \$35 for 4 meat portions⁷

Fruit and Vegetable prices are \$6 for a roast vegetable or stir-fry mix. \$37.99 for fruit and vegetable family box including 15-17 seasonal fruit and vegetables⁷





Identified Indirect Competitors

FEED 4 \$15

Feed 4 for \$15 is a service run by Countdown supermarket that provides recipe ideas that will feed four people for no more than \$15⁸. Countdown's Feed 4 for \$15 service and has been identified as an indirect competitor of KiwiKai™. This is because the Feed 4 for \$15 service is within the pre planned meal industry but do not offer delivery of pre portioned ingredients and are not strongly focussed on healthy eating. Feed 4 for \$15 is also not targeted at the student market. Also in comparison to KiwiKai™ the Feed 4 for \$15 service requires households to have basic items already and the cost is derived from portion sizes not the cost of purchasing the full product, which in most cases is necessary. Feed 4 for \$15 also still requires a supermarket shop therefore still remaining inconvenient to the student market.

SUPERMARKETS

Supermarkets in general provide all necessary products and ingredients consumers need to create meals for their households. However, going to the supermarket requires a lot of organisation, a tedious supermarket shop is carried out and meals still need to be planned and created from scratch. All processes students do not have time for in their busy day to day lives.

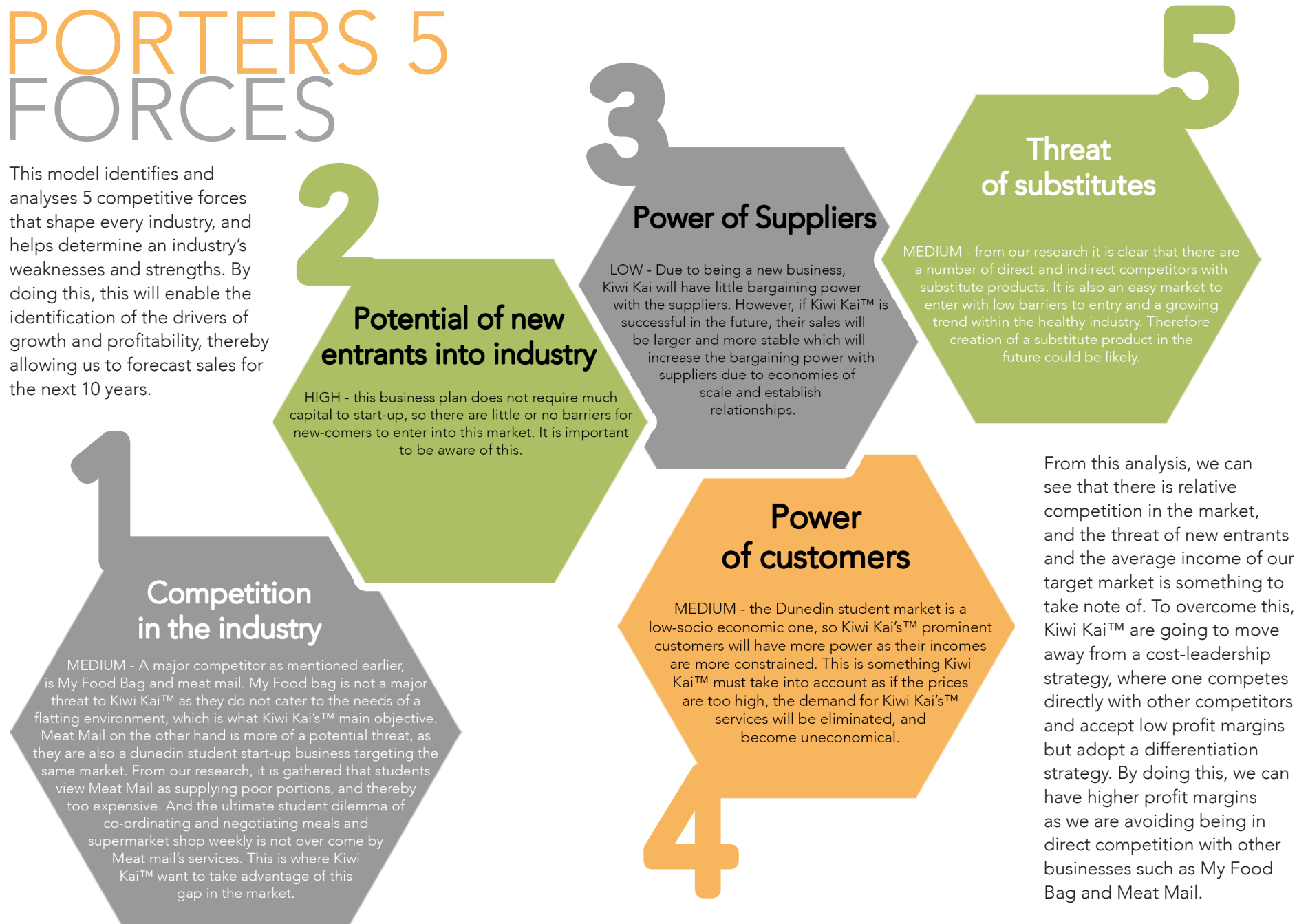
TAKEAWAY OUTLETS

Takeaway outlets such as fast foods offer cheap ready to eat food options for consumers. However these are often highly unhealthy and fatty and although may appear as a cheaper alternative at the time adds up to be an expensive way of eating for students. Creating meals and purchasing ingredients is a much more economical process in the long run.



PORTERS 5 FORCES

This model identifies and analyses 5 competitive forces that shape every industry, and helps determine an industry's weaknesses and strengths. By doing this, this will enable the identification of the drivers of growth and profitability, thereby allowing us to forecast sales for the next 10 years.



1 Competition in the industry

MEDIUM - A major competitor as mentioned earlier, is My Food Bag and meat mail. My Food bag is not a major threat to Kiwi Kai™ as they do not cater to the needs of a flattening environment, which is what Kiwi Kai's™ main objective. Meat Mail on the other hand is more of a potential threat, as they are also a Dunedin student start-up business targeting the same market. From our research, it is gathered that students view Meat Mail as supplying poor portions, and thereby too expensive. And the ultimate student dilemma of co-ordinating and negotiating meals and supermarket shop weekly is not overcome by Meat mail's services. This is where Kiwi Kai™ want to take advantage of this gap in the market.

2 Potential of new entrants into industry

HIGH - this business plan does not require much capital to start-up, so there are little or no barriers for new-comers to enter into this market. It is important to be aware of this.

3 Power of Suppliers

LOW - Due to being a new business, Kiwi Kai will have little bargaining power with the suppliers. However, if Kiwi Kai™ is successful in the future, their sales will be larger and more stable which will increase the bargaining power with suppliers due to economies of scale and establish relationships.

4 Power of customers

MEDIUM - the Dunedin student market is a low-socio economic one, so Kiwi Kai's™ prominent customers will have more power as their incomes are more constrained. This is something Kiwi Kai™ must take into account as if the prices are too high, the demand for Kiwi Kai's™ services will be eliminated, and become uneconomical.

5 Threat of substitutes

MEDIUM - from our research it is clear that there are a number of direct and indirect competitors with substitute products. It is also an easy market to enter with low barriers to entry and a growing trend within the healthy industry. Therefore creation of a substitute product in the future could be likely.

From this analysis, we can see that there is relative competition in the market, and the threat of new entrants and the average income of our target market is something to take note of. To overcome this, Kiwi Kai™ are going to move away from a cost-leadership strategy, where one competes directly with other competitors and accept low profit margins but adopt a differentiation strategy. By doing this, we can have higher profit margins as we are avoiding being in direct competition with other businesses such as My Food Bag and Meat Mail.

MARKET GAP ANALYSIS

As seen in figures 7,8 and 9 there are a number of potential market gaps identified in the area of healthy, convenient and affordable food. They have helped us to identify how KiwiKai™ will position themselves within the market

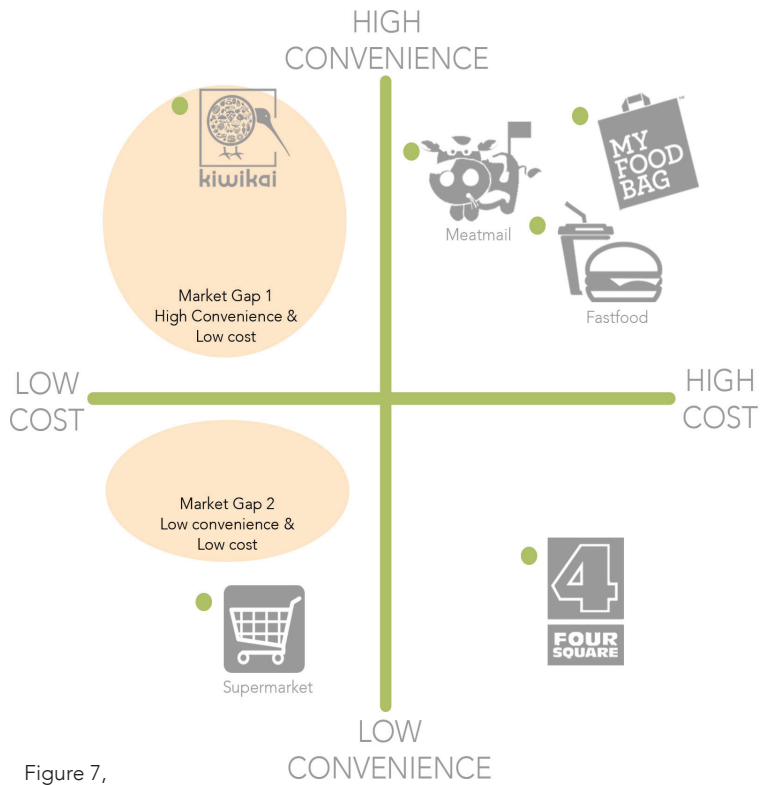


Figure 7,

There are a number of competitors out there that have focused on very high efficiency and health levels but their services come with a high cost. Market gap 1 shows the opportunity for a low cost but high efficiency service. Gap 1 as well as gap 3 shows the ideal market position that Kiwikai wants to be.

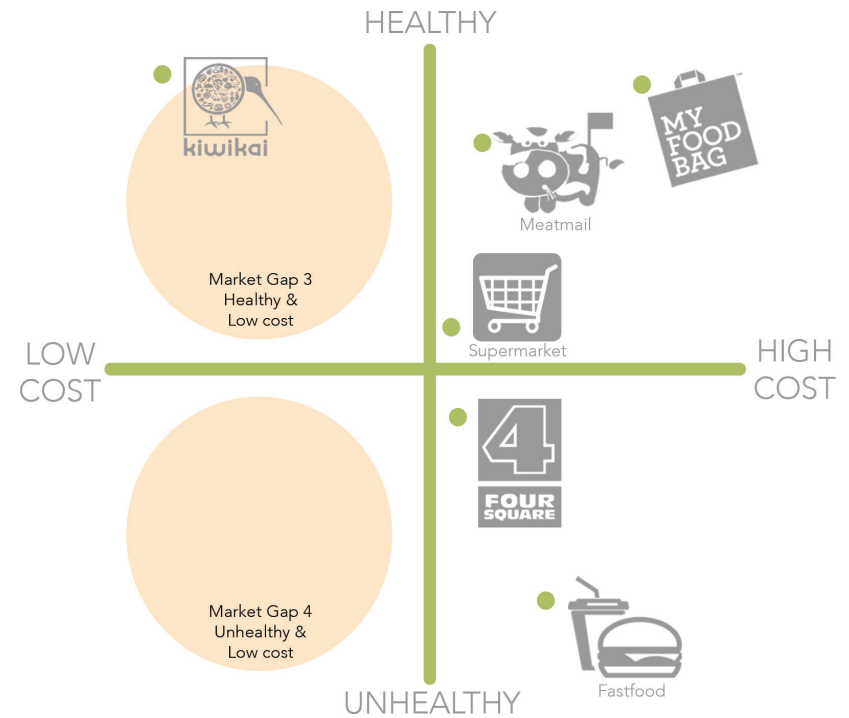


Figure 8.

KiwiKai™ is looking at Market Gaps 1, 3 and 5 in relation to the position of competitors within the market. Market gap 1 in figure figure 7 is for a highly convenient low cost service, Market gap 3 in figure 8 shows a market opportunity around healthy and low cost meals. Finally, figure 9 shows market gap five representing a space for a ultimate convenience and healthy food options.



Figure 9.



VALUE PROPOSITION

KiwiKai's™ point of difference lies in their aim to provide a healthy, pre planned meal delivery service targeted at the student population, offering the upmost convenience and coordination around students busy lifestyles.

KiwiKai™ offers value through sourcing from local suppliers and cutting out the middle man, meaning less cost and hassle for consumers.

KiwiKai™ is looking to minimise flat disruptions around the negotiation and organisation of meal planning and supermarket shops weekly. As well as teaching healthy eating habits to students when they first become independent, looking to influence the negative pattern of adult obesity in New Zealand stemming from this age bracket (18-25).

Users of the KiwiKai™ service will experience ultimate convenience through no longer having to carry out a supermarket shop or plan and budget for meal each week.

KiwiKai™ creates their recipes based on healthy eating and low fat, low sugar nutritious meals. Meaning busy students no longer have to worry about what they are eating and can be guaranteed a healthy affordable diet. Flat disruptions and arguments will be minimised and students can remain focused on the important things in their lives knowing they have 5 delicious healthy meals ready to cook each week.

After sales customer service ensures the consumers are aware they have help available to answer any questions between the hours of 9am and 9pm on week days. KiwiKai™ customers will be able to track where there fresh produce, meat and ingredients were sourced from by going onto

Existing pre planned meal and food delivery services do not offer the same convenience and value that meets the needs of the student population. Existing services are either priced to high, do not cater for the requirements of students or are not offering ultimate convenience around students busy lifestyles, all aspects that KiwiKai™ targets specifically.





STAKEHOLDERS MAP

Figure 10 demonstrates the key stakeholders involved in Kiwikai's™ operations. They all contribute at different stages throughout the process and with varied amounts of input but are all vital to the success of the business.

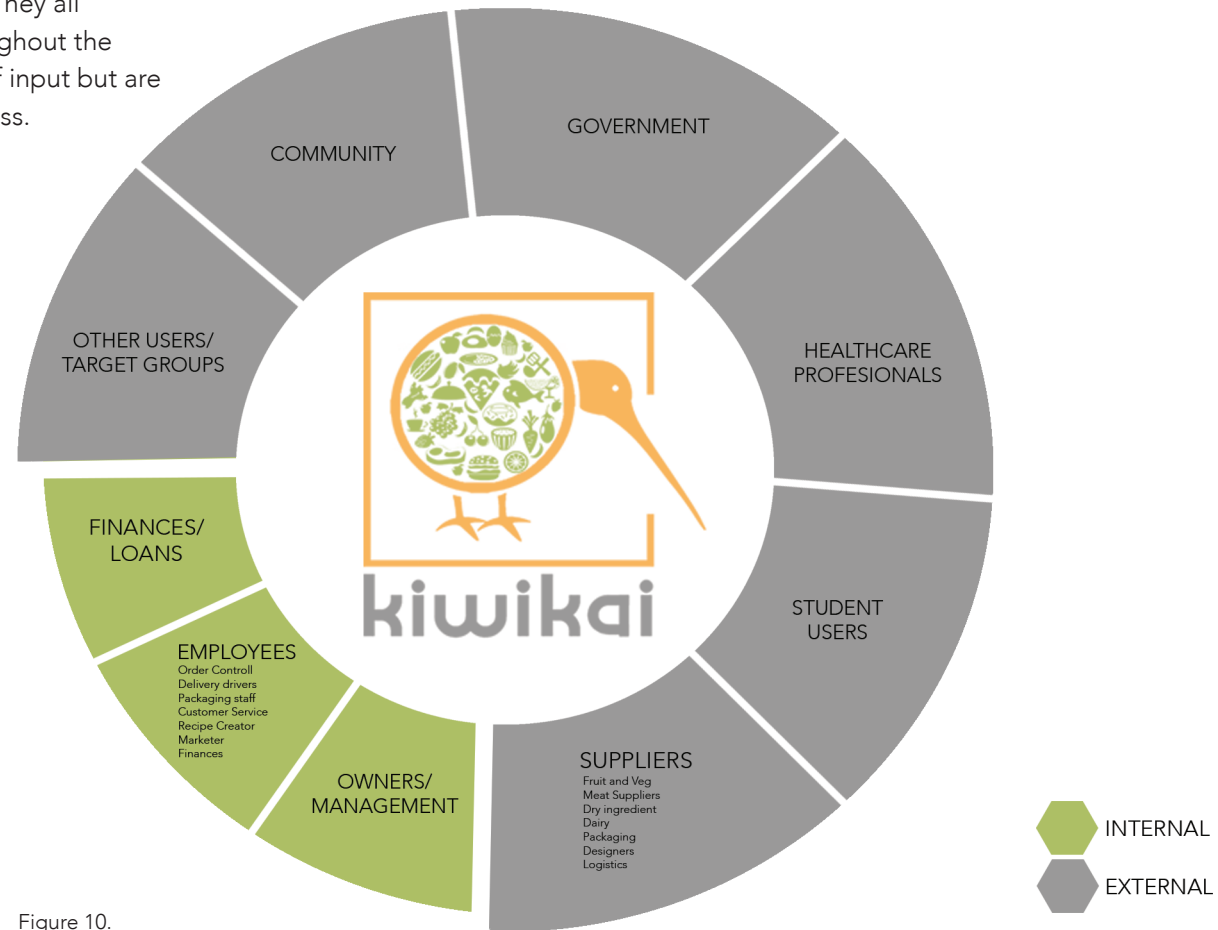


Figure 10.

USER SCENARIOS

Meet the Beehive, they are a group of nine, 21 year old students living on Castle street in North Dunedin. The Beehive flat members have all been best friends for the last three years but recently have found there is a lot of hostility within the household due to miscommunication.

The Beehive flat's solid friendships are falling apart due to a continuous confusion, based on cooking and doing the grocery shop each night. There are often arguments as to who is cooking, what to cook and who is due to do a grocery shop. The flat wants to eat healthy food but the flat mates are unsure of cheap but healthy meal options or recipes. There are obvious problems within the flat caused by negotiation issues and confusion around the subject of cooking each meal and as a flat they are determined to find a solution.



Meet Jack, he is a 23 year old student living in Dunedin and has been for the last five years. He lives in a flat with 4 other flat mates. Over the years he has been down south, Jack has become seriously overweight due to the poor living conditions and lack of healthy eating options in Dunedin. Jack has never been into cooking so has no clue on how to cook healthy meals that taste good. He has lived next to a fast food restaurant for three years and due to his busy uni lifestyle and attitude on cooking he often finds it a lot easier and quicker to eat there instead of cooking a meal. This has had a huge impact on Jack's health but he is determined to lose weight and get healthy again.



Meet Sarah, she is a second year university student moving into her first ever flat. Sarah is an extremely busy person. She plays two sports with trainings four nights a week and at the same time studying a double major in law and commerce at the University of Otago.

Sarah often doesn't get time to go to the supermarket due to her busy lifestyle. She often either skips meals or gets takeaways which are taking a toll on her health as well as her bank account. She finds shopping and cooking meals takes up a lot of time in her busy schedule and is determined to find a balance.



FINANCIAL ANALYSIS

ATAR

An ATAR analysis has been used to estimate the potential market size and sales figures KiwiKai™ will reach from year 1 to 10. This analysis was based on initially sourcing the size of the student population in Dunedin (25000 students in Dunedin and approximately 5000 flats)³ and then multiplying this by a series of percentages that are relative to the four factors of ATAR; Awareness, Trialability, Availability and Repeat.



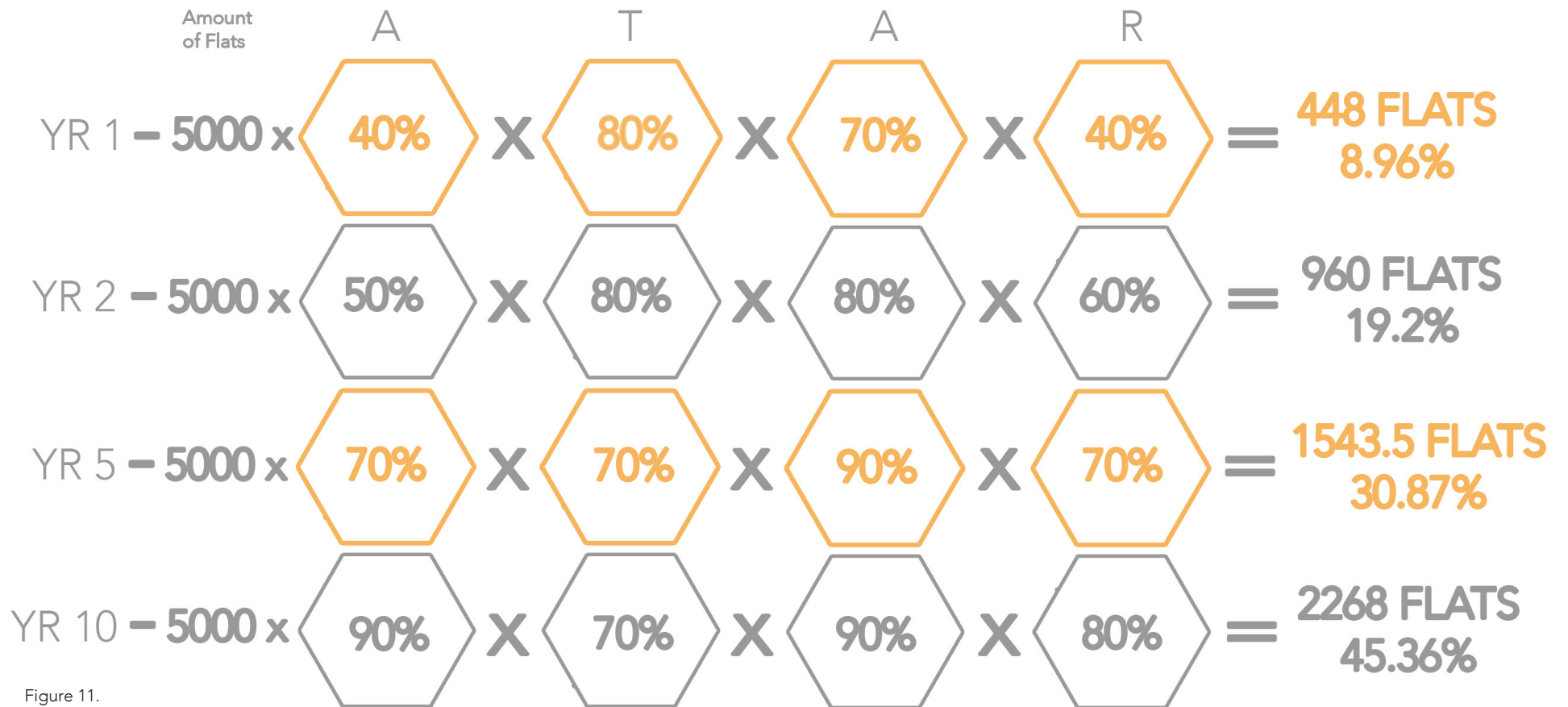


Figure 11.

MARKET SHARE

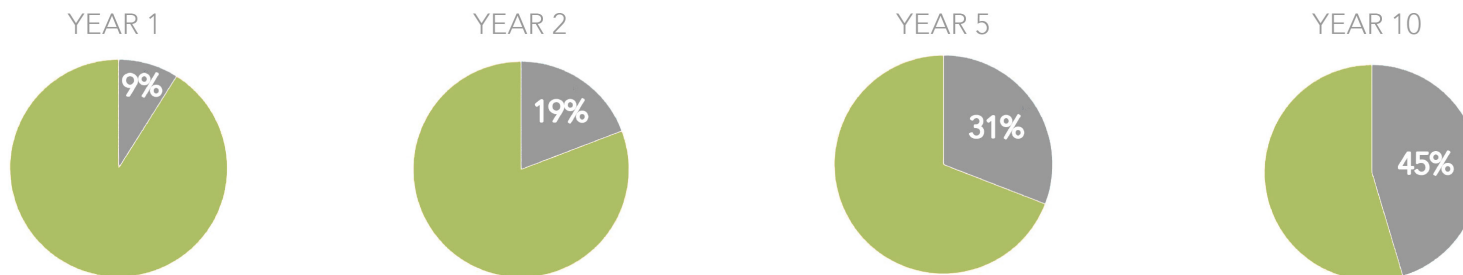


Figure 12.

SALES & PROFIT FORECAST



Figure 13.

As shown in figure 11, it is forecasted that KiwiKai's™ service will be launched within the Dunedin student market, and will refrain from expanding into other New Zealand Markets within the first ten years. This is to ensure KiwiKai's™ concentration on being well established market leader in Dunedin. The profit forecast is consistent with three of the four stages of the product lifecycle theory; Introduction, growth and maturity within years 1 - 10.

From figure 13 it is evident that we make a loss in the first year of inception, breaking-even between year 1 and 2 and make a profit thereafter. From year 6 to year 8, a significant spike in forecasted profit can be identified. This can be contributed to Kiwi Kai™ having eliminated their bank loan obligation by year 6, and the price increase in year 7.

Providing that Kiwi Kai™ remains the dominant leader within their industry in the Dunedin market, they have significant future growth and profitability prospects, supported by the forecast in figure 13.

In order to break-even at an earlier date, KiwiKai™ would have to consider other financing options. Currently, the forecasts in 13 and 14, it is assumed that the forecasted \$204,500 start-up costs will be financed by a five year bank loan, with a 11% interest rate pa, to be paid off by \$50,000 payments each year for the first four years, and the remainder (\$83,205) in year five (refer to figure 15).

The alternative could be selling off a percentage of Kiwi Kai™ to investors, avoiding having a debt liability to raise start-up capital. Kiwi Kai™ is not interested in splitting ownership, making this is not a desirable alternative. Consequently, debt financing is the most viable option available.

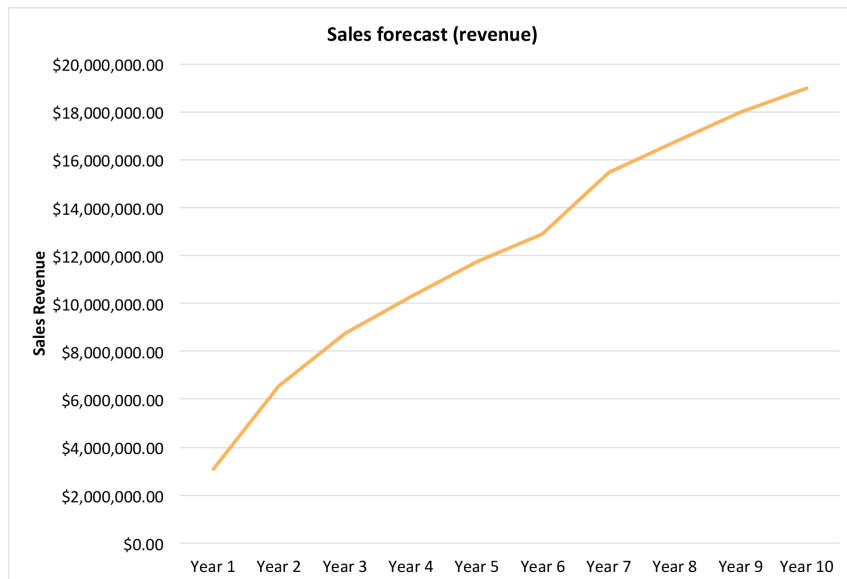


Figure 14.

As shown in figure 14, it is forecasted that KiwiKai™ sales revenue is steadily increasing from inception over the first ten years. The demand for Kiwi Kai's™ services contributes to this, in particular the first year, where demand is forecasted to increase by 114%. The (geometric) average increase in demand is forecasted to be 17% per annum (pa) from years 2-5, and plateau to 8% pa from years 6-10.

Even though sales growth rate is decreasing over the ten period, the steady increase in sales revenue is maintained by increasing the price of the food bags from \$180 to \$200 in year 3, then up again to \$220 in year 7. These align with Kiwi Kai's™ pricing strategy of maintaining stable and affordable prices for student flats. The price is \$180 in the first 2 years to attract clients and then increases as awareness grows and a strong customer base is established.

Ammortization Table

Vehicles	120000	Year one	50000	\$22,495.00	\$27,505.00	\$176,995.00
Kitchen Equipment	25000	Year two	50000	\$19,469.45	\$30,530.55	\$146,464.45
Legal Costs	15000	Year three	50000	\$16,111.09	\$33,888.91	\$112,575.54
Administration Costs	2500	Year four	50000	\$12,383.31	\$37,616.69	\$74,958.85
Permits	12000	Year five	83205	\$8,245.47	\$74,959.53	-\$0.68
Contingency	30000					
Total start-up costs	\$204,500.00					
Interest rate	0.11					

Figure 15.

COST BREAKDOWN

	Year 1	Year 2	Year 5	Year 10
Revenue:				
Food Bags sold	17024	36480	58672	86184
Cost per Food Bag	180	180	200	220
Total Gross Revenue	3064320.00	6566400.00	11734400.00	18960480.00
Less Costs:				
Variable costs (per food bag)				
Meat	(25.20)	(25.20)	(25.20)	(25.20)
Produce	(75.00)	(75.00)	(75.00)	(75.00)
Grocery ingredients	(60.00)	(60.00)	(60.00)	(60.00)
Delivery costs (incl. wages)	(4.00)	(4.00)	(4.00)	(4.00)
Variable costs/food bag	(164.20)	(164.20)	(164.20)	(164.20)
Total Variable costs	(2795340.80)	(5990016.00)	(9633942.40)	(14151412.80)
Fixed Costs:				
Rent	(78000.00)	(78000.00)	(78000.00)	(78000.00)
Electricity & gas	(12000.00)	(12000.00)	(12000.00)	(12000.00)
Telephone	(2760.00)	(2760.00)	(2760.00)	(2760.00)
Internet	(1668.00)	(1668.00)	(1668.00)	(1668.00)
Full-time Staff	(200000.00)	(300000.00)	(400000.00)	(500000.00)
Advertising	(30000.00)	(30000.00)	(30000.00)	(30000.00)
Administration	(2000.00)	(7000.00)	(7000.00)	(7000.00)
Bank Loan	(50000.00)	(50000.00)	(83205.00)	(0.00)
Total Fixed costs	(376428.00)	(481428.00)	(614633.00)	(631428.00)
Total Costs	(3171768.80)	(6471444.00)	(10248575.40)	(14782840.80)
NET PROFIT/LOSS	-(107448.80)	94956.00	1485824.60	4177639.20
Profit Margin	-3.51%	1.45%	12.66%	22.03%

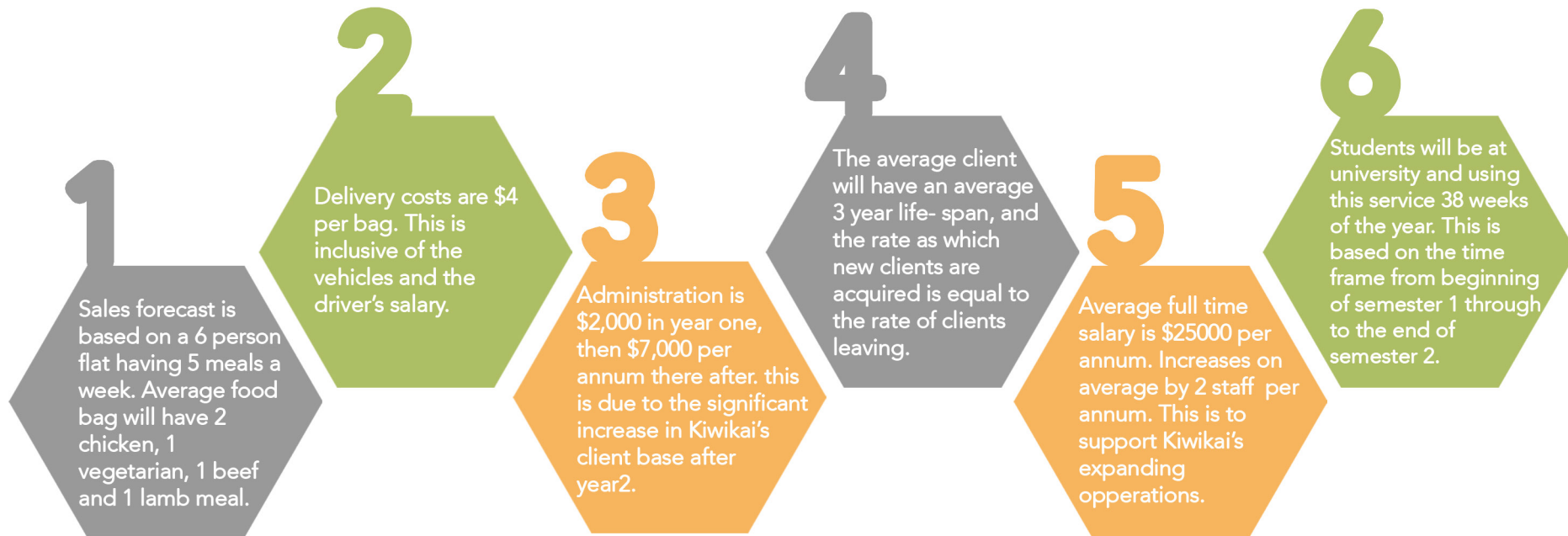
Figure 16.

Figure 16 shows a rough breakdown of costs that are necessary to launch the KiwiKai™ service. By year 2 it is highly likely that more full time staff will be needed. This is related to the increase of flats using Kiwi Kai's™ services, resulting in variable costs increasing due to operations expanding.

This is a result of a rapid increase in sign ups after the first year of being on the market which is consistent with the results predicted from the ATAR analysis; awareness rising to 50% by the second year, a repeat rate of 40% from the first year as well as trialability and availability at 80%.

As seen from figure 16 the profit margin increases each year over the ten year period. It is notable that the profit margin increases substantially from year 7-10. This can be contributed to Kiwi Kai's™ fixed costs being absorbed by the significant increase in sales that Kiwi Kai™ will experience. These profit margins are expected to be maintainable after this period as Kiwi Kai's™ operations will be fully established and efficiency will be maximised.

ASSUMPTIONS



PRICING PLAN

NUMBER OF FLAT MATES	5	6	7	8	9	10
YEARS 1-2	\$150	\$180	\$210	\$240	\$270	\$300
YEARS 3-6	\$167	\$200	\$234	\$267	\$300	\$334
YEARS 7-10	\$184	\$220	\$257	\$294	\$330	\$367

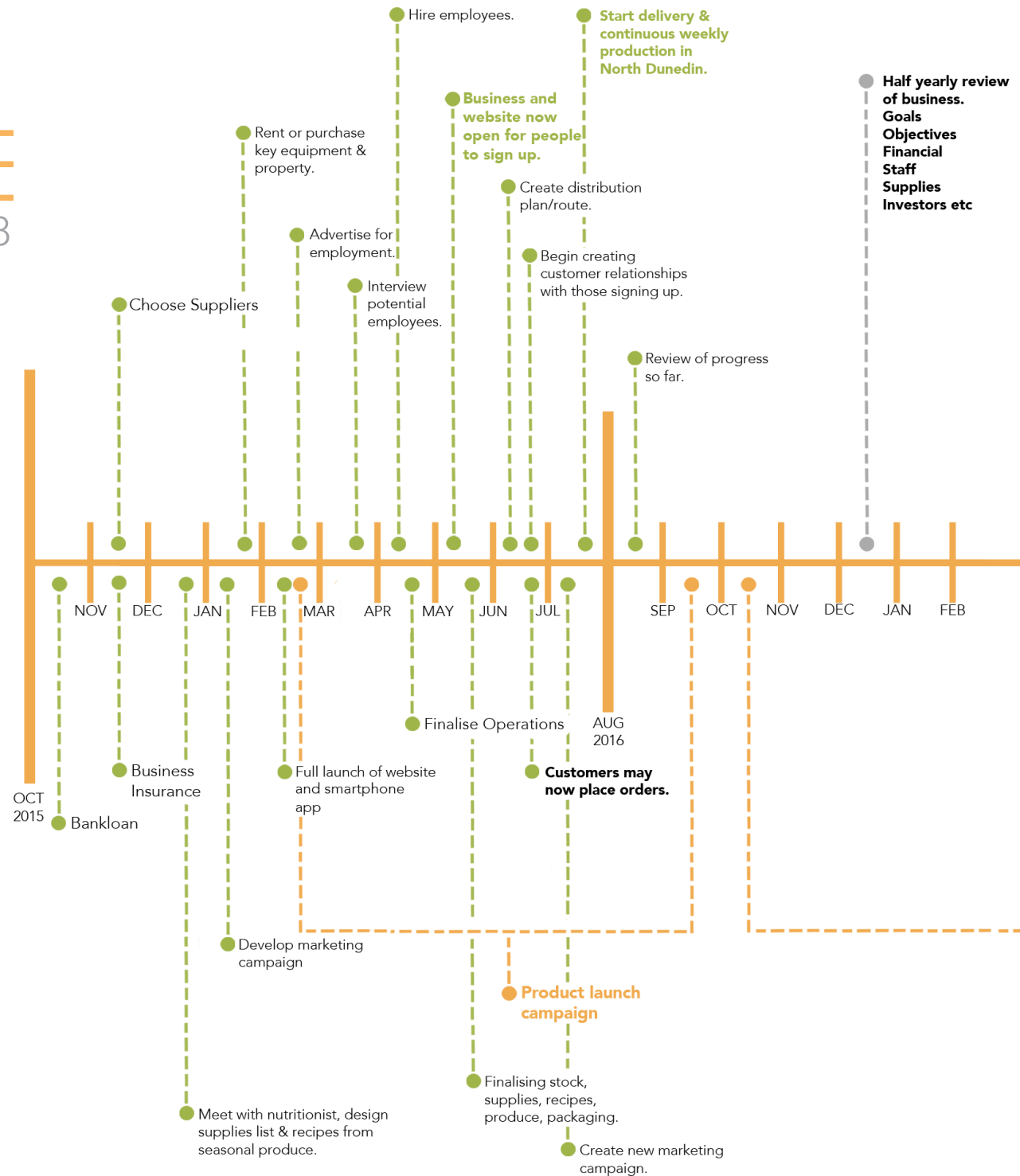
Figure 17.

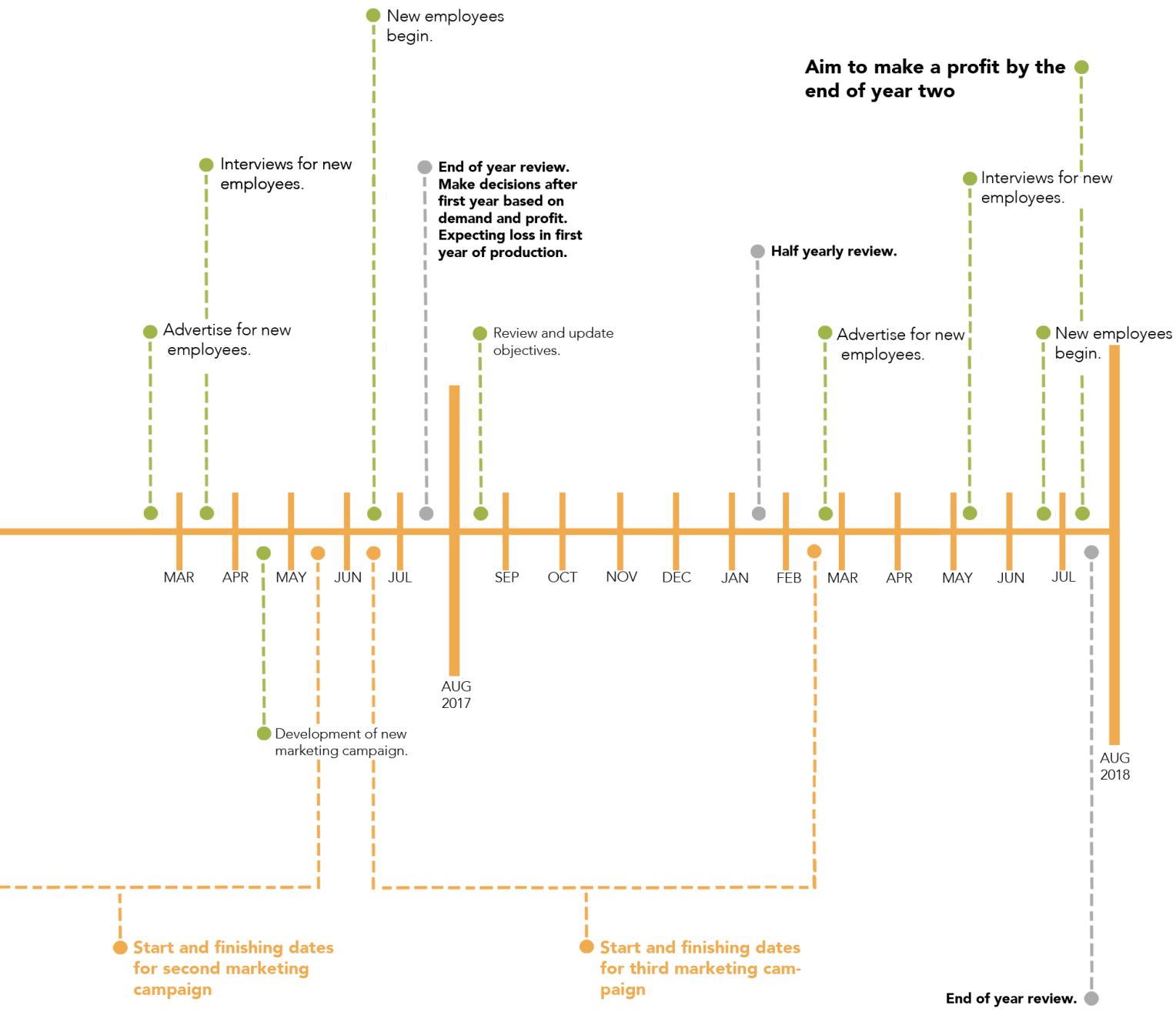
Years 1-2 = approx \$30 per person each week
Years 3-6 = approx \$33 per person each week
Years 7-10 = approx \$36 per person each week



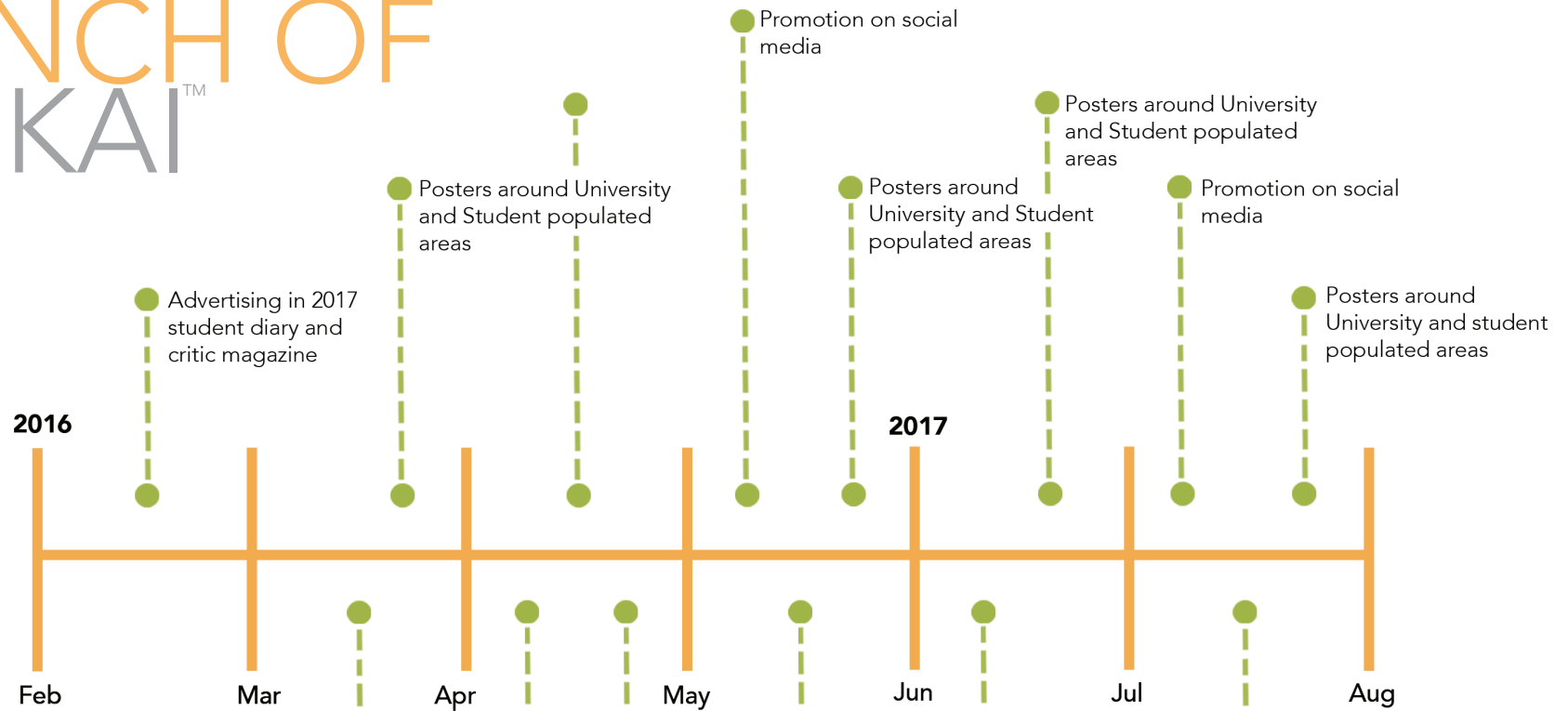
TIMELINE

OCT 2015 - AUG 2018



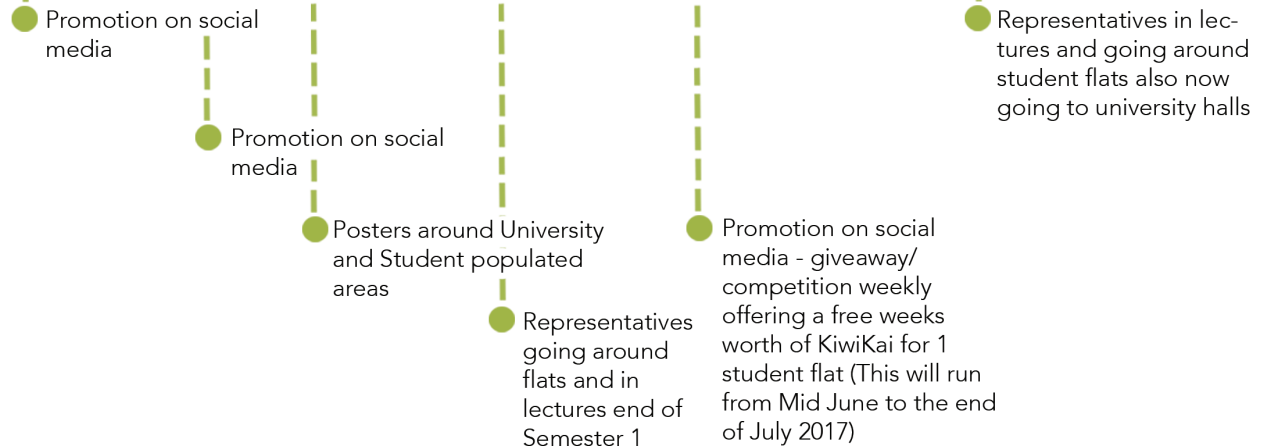


LAUNCH OF KIWIKAI™



MARKET BUDGET PER ANNUM

Social Media	
Facebook	(5000)
Instagram	(2500)
Publications	
Critic	(6000)
University Diary	(5000)
Representatives	
Student Flats	(3000)
University Halls	(1000)
Lectures	(1000)
Poster	(4000)
Competitions and Giveaways	(12,000)
TOTAL	(30,000)



FUTURE POSSIBILITIES

Looking into the future KiwiKai™ needs to conduct regular research to keep up with market trends and staying on top of innovation to reach the position of market leader. Here are some of the key possibilities KiwiKai™ will be exploring in the future, presuming everything has run smoothly and they have met financial projections.

1

Review progress in Year 5 - looking at expanding into other cities, e.g Wellington, Christchurch and Auckland

2

Look at eventually providing other grocery items - possibly a breakfast bag, fruit bag and offer basic necessities

3

Eventually offer students internship opportunities to create personal relationships with the University

4

After five years start looking at reaching other markets such as family's and low income households

5

Look at bringing in more flexible options to keep up with developing trends, e.g gluten free.

6

Set up a sponsorship programme with a gym providing student deals e.g sign up and get one week free at les mills. Promote healthy lifestyles as well as healthy eating

LOGO DESIGN

These images show potential logo concepts, developments and a final logo design for KiwiKai™. As KiwiKai™ is a New Zealand based company and reflects the kiwi name it was essential for the logo to also reflect the kiwi itself. Being a food based company this was another essential idea to have in the logo designs. The logo also reflects the timeless colour scheme of KiwiKai™.



FINAL LOGO



WEBPAGE DESIGN

Kiwikai's™ webpage is an essential part of the service. Online orders, payments, recipe selection, confirmation and delivery tracking can all be done on the website. There are five simple steps that users would take ranging from selection of recipes through to payment for goods.



The webpage also offers a unique experience for users which gives them the ability to track their fresh produce back to the very farm it came from. Farm to Fork is KiwiKai's™ idea of cutting out the middle man and bringing the produce straight from the farm to the front door of our users.

SMARTPHONE APP CONCEPT

The smartphone application will work in conjunction with the website. Just like the KiwiKai™ service the smartphone application is offering another form of ultimate convenience. This is through students being able to have access to the KiwiKai™ service from their mobile phones, whenever they need to, wherever they are.

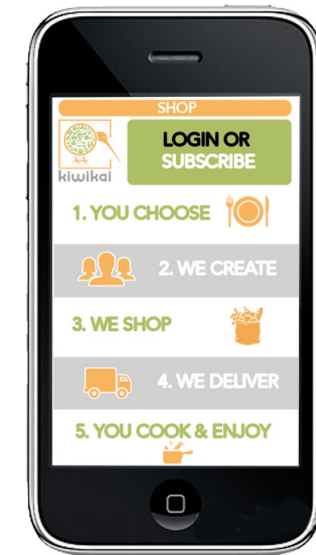


1



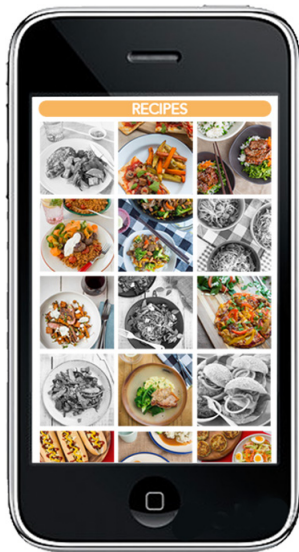
After entering the app the home screen will be the first thing to come up. From here there are many options but signing in would be the first step.

2



Once signed up or logged in users will have this screen appear. These are the five steps of KiwiKai™. The 1st step is to choose recipes.

3



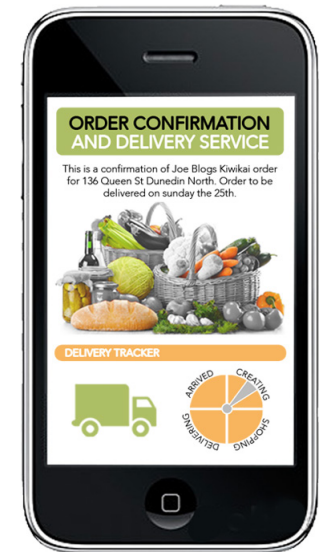
This is the screen that will show up when users need to choose a set of recipes for the week. 15 of images and recipes will be on display each week to choose from.

4



As each meal is selected this screen will appear giving all the exact ingredients and cooking instructions. If recipe cards are lost with delivery then they can be easily accessed on the webpage and app.

5



Once the user has completed their order a confirmation email will be sent to confirm the order and listing the details. KiwiKai's™ delivery tracker will then kick in which will tell the user exactly where their order is and how far it is away from being delivered.

POSTER DESIGN

This Poster design shows Kiwikai™ as a business and what it stands for. Convenient, healthy and affordable is the slogan used because those are the areas that put Kiwikai™ ahead of its competitors and will continue to catch the users attention, meeting market needs. Cutting out the middle man is another slogan used to describe Kiwikai™ as a service business. With produce coming directly from the farm to the users fork they couldnt ask for a more fresh grocery bag.



kiwikai[™]
AFFORDABLE : HEALTHY : CONVENIENT

CUTTING OUT THE MIDDLE MAN



PACKAGING DESIGN

KiwiKai™ has chosen brown paper bags as a main form of packaging for produce due to the low cost and sustainability of the material. Highly recyclable, economical and sustainable for the environment. With a variety of different sizes and an easy surface to print multiple coloured logos on, making it the ideal packaging for KiwiKai's™ service.



RECIPE CARD DESIGN

These recipe card designs would come with each users package each week. The five recipe cards, chosen by the consumer, will be recieved with each food package. Each card will have an easy step by step set of instructions which can also be viewed on the website or smartphone app. Video demonstrations are also available online.



kiwikai

Thai beef, chilli and basil stir-fry

400g packet long-life Hokkien noodles
 1 teaspoon sesame oil
 400g beef fillet steaks, thinly sliced
 2 small red capsicums, thinly sliced
 1 large red onion, cut in thin wedges
 4 cups spinach, roughly chopped
 4 tablespoons sweet chilli sauce
 2 tablespoons salt-reduced soy sauce
 1 cup fresh Thai basil plus extra, to serve

Instructions

Step 1 Prepare noodles following packet directions. Place a wok or large frying pan over a high heat and add sesame oil. Cook beef in batches, stirring, until browned all over. Remove from pan.

Step 2 Add capsicums and onion to heated wok or pan. Cook, stirring, for 5 minutes or until almost tender. Add spinach, noodles, beef and sauces. Cook, stirring, for 3-4 minutes or until heated through. Stir in Thai basil before serving.




Thai beef, chilli and basil stir-fry

kiwikai

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 1 teaspoon sesame oil
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 4 cups spinach, roughly chopped
 4 tablespoons sweet chilli sauce
 2 tablespoons salt-reduced soy sauce
 1 cup chopped basil

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INTELLECTUAL PROPERTY

kiwikai™

Business or Trading name

Trade mark (R or U)

Before trying to register your name with IPONZ, you should use an online search engine to check no one else is using the kiwikai™ name, or has one that looks or sounds similar



Logo

Trademark (R and U)

We will be looking to use this as our logo. Before this we need to check it is unique and useable



Customer Database

Copyright and/or confidential information (U)

Kiwikai™ will limit access to any customer databases and may have to change passwords regularly



Website Content

Copyright and/or confidential information (U)

Kiwikai™ will be careful to make sure they do not put confidential information on public websites. Apps or software code



New Packaging design

Design (R)

Kiwikai™ will make sure they have a confidentiality agreement in place before discussing their designs with anyone



Copyright (U)

There is copyright not only in software code but also in database structures and screen layouts/graphical user interfaces. Kiwikai™ will make sure ownership of all forms of copyright is clear



Advertising or signage

Trade mark and/or copyright (R and U)

Kiwikai™ will be using TM symbol until they have registered their logo with IPONZ



Photos or Imagery

Copyright (U)

Any photographs taken specifically for KiwiKai™, will come with an agreement that KiwiKai™ own them



Goods

Trademark (R or U)

Will double check all sales agreements to ensure suppliers are legitimate



Trade Secret

Trade secret (U)

Keep secrets safe through including a clause in employment agreement. This could be in relation to recipes or day to day operations of KiwiKai™



Employment agreements

Confidential agreements (U)

Kiwikai™ will never rely on a handshake. They will make sure the founders, employees or third parties sign all documents

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DESIGNER PROFILES



Rhys Wynne-Lewis

- My name is Rhys Wynne-Lewis and I am a third year University of Otago student studying a Bachelor of Applied Sciences with a Major in Design for Technology and a Minor in Commerce, Marketing. I have always had a passion for creative arts especially design and I am also very talented at using design software, which has been a huge help throughout planning this business proposition. I also have a great passion for food, even the healthy stuff and live a very busy lifestyle so was interested in the KiwiKai™ service from the beginning. Being born and raised on a farm, I now have footprints in the industry which has become very handy in regard to the industry KiwiKai™ runs in and the research we have carried out so far. Now living in North Dunedin, in a flat with nine lads, I have a hands on experience of cooking and planning out meals and supermarket shops weekly, it is not a fun task. If implemented, KiwiKai™ would offer superior convenience to students and beneficial to their busy lifestyles and negotiation meals and supermarket shops weekly.



Georgia Woodbridge

- My name is Georgia Woodbridge and I am in my final year at the University of Otago studying a Bachelor of Commerce, with a Major in Marketing and a Minor in Applied Sciences, Design Studies. I initially thought of this idea during my first year at the University of Otago when thinking about flatting for the following year and organising meals each week. Now I have had the opportunity to take my idea further and fully develop it into a business proposition and plan. I am very creative and have a passion for photography and design. My marketing degree has helped immensely with this assignment which has been a huge advantage. I also love to cook and have grown up looking after my own vegetable garden with my mum at home in Auckland. I live in a flat of nine girls and have seen on a first hand basis the problems associated with organising and planning a weekly supermarket shop while living such a busy lifestyle as a student. Flat arguments and issues arise constantly and I believe KiwiKai™ is the perfect service to address these needs and meet the gap within the student market.