



Houston Food Delivery


BUSINESS PLAN


Your Favourite Food delivery Partner..




Prepared By

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1.

Executive Summary

Business Overview

Our vision and mission statement

Our Values

Objectives

Startup Summary



REMEMBER

Before you think about how to start a food delivery service, you must create a detailed Food Delivery business plan. It will not only guide you in the initial phases of your startup but will also help you later on.

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Business Overview



TIP

The management has come to establish two platforms under one unit which will cater to food delivery services. These platforms are Houston Food Delivery If at all, the COVID-19 pandemic has shown the whole world that digital space is the best place for businesses. With the lockdown restrictions, businesses and people have had to devise means and strategies to continue s

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Our vision and mission statement



TIP

Houston Food Delivery's mission is to allow our customers to have a fast and seamless trip to their choice of restaurant without leaving their homes. Our vision is to support the growth of the local economy by connecting the restaurants to the local community by providing an Omnichannel platform for fast food delivery.

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Our Values



TIP

- **Entrepreneurialism:** Our approach fosters the highest level of professionalism, personal ownership, and entrepreneurial spirit in all our people while never compromising on their safety and well-being. This is important to our success and the superior returns we aim to achieve for all our stakeholders.

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Objectives



TIP

The following are the aims and objectives of the company:

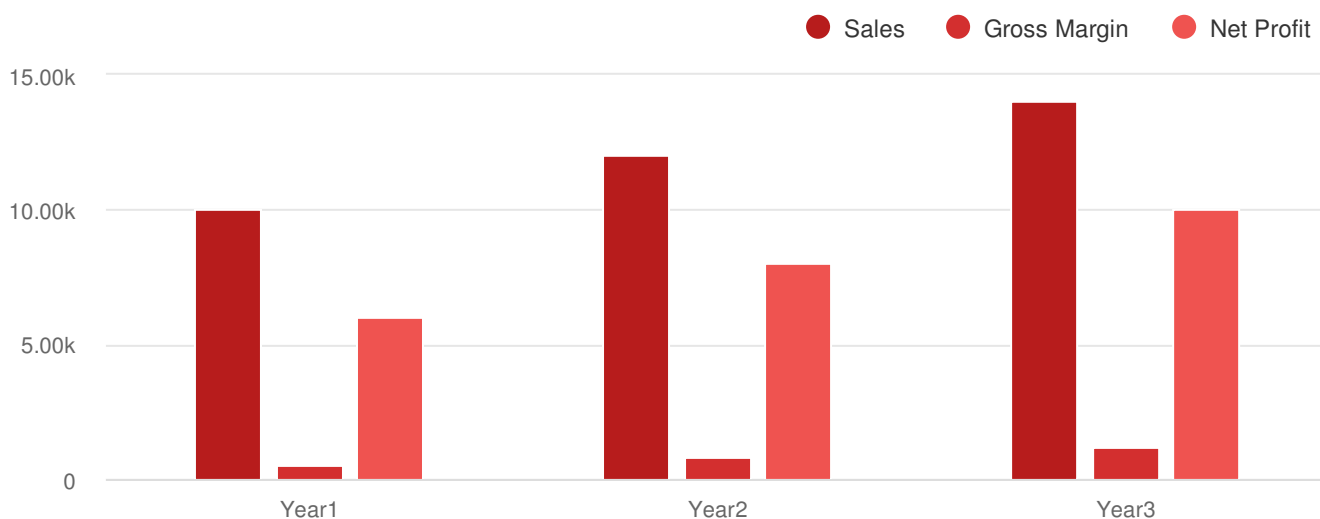
- Become the leading on-demand food delivery in Houston, utilizing the latest technology and trends to shift market shares to our platforms
- Create strategies to put adequate offline and online marketing

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Startup Summary

3 Year profit forecast



Financial Year	Sales	Gross Margin	Net Profit
Year1	10000	500	6000
Year2	12000	800	8000
Year3	14000	1200	10000

2.

Company Overview

Registered name and corporate structure

Company Location

Company Resources

The Financing

Investor Equity

Funding Required

Registered name and corporate structure



TIP

Houston Food Delivery is a start-up company that will be incorporated as a Limited Liability Company in Houston, Texas. Houston Food Delivery has not commenced its operations and will be treated as a start-up in this business plan. In the long run, we will apply for trademark protection as we secure funding to protect our unique trade identities to continually distinguish

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Company Location



TIP

Houston Food Delivery is physically located in Houston, Texas where it intends to serve the local communities through its mobile apps that are online-based. The company intends to start its operation in Houston, and it visualizes an operation scope that will span the entire Texas.

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Company Resources



TIP

The following are the resources that are used by the company:

- Company Website
- Office Space
- Office supplies

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The Financing



TIP

To launch the commencement of the company's programs, as well as maintaining forward operations, adequate funding is needed. All potential avenues to funding will be approached to achieve funding will involve soliciting a loan, approaching third-party investors, or applying for open lines of credit. We intend to leave the options open to see that all the services hig

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Investor Equity



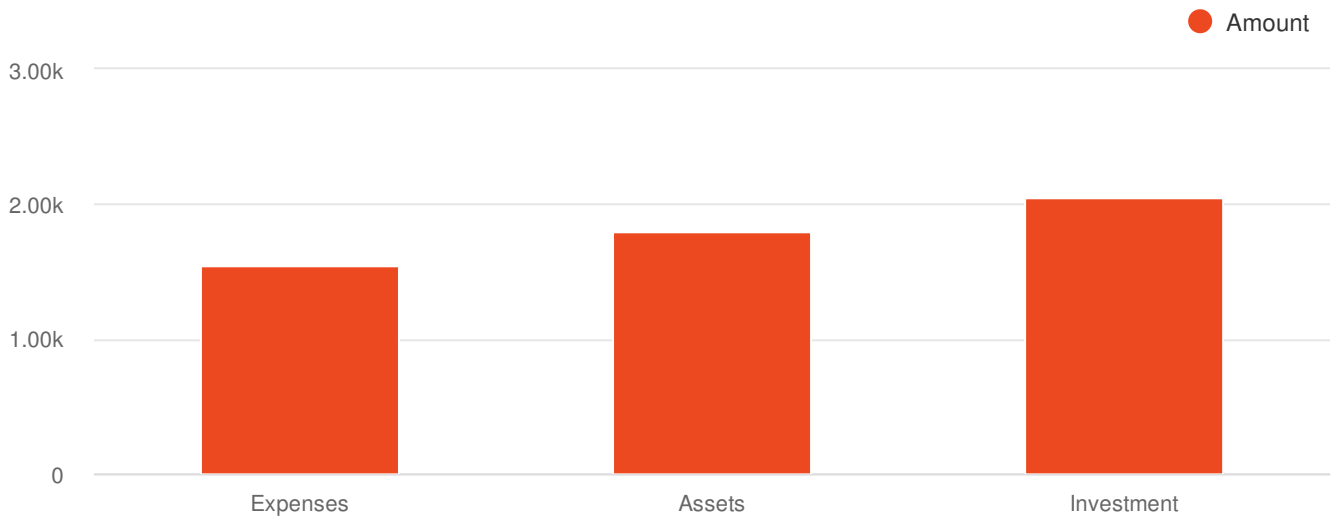
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All funding acquired will be in exchange for an equity stake, which will be determined by the management. Additional incentives of a seat on the board of directors can be offered with a lower equity stake of 3.45% instead of the higher equity offer.

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Startup cost



Cost distribution

Amount

Expenses	1550
Assets	1800
Investment	2050

Funding Required

The detailed startup requirements and expenses are given in the table below.

Start-up Expenses	Amount
Legal	\$75,500
Consultants	\$0
Insurance	\$62,750
Rent	\$22,500
Research and Development	\$42,750
Expensed Equipment	\$42,750
Signs	\$1,250
TOTAL START-UP EXPENSES	\$247,500
Start-up Assets	\$0
Cash Required	\$322,500
Start-up Inventory	\$52,625

Start-up Expenses	Amount
Other Current Assets	\$222,500
Long-term Assets	\$125,000
TOTAL ASSETS	\$121,875
Total Requirements	\$245,000
START-UP FUNDING	\$0
START-UP FUNDING	\$273,125
Start-up Expenses to Fund	\$121,875
Start-up Assets to Fund	\$195,000
TOTAL FUNDING REQUIRED	\$0
Assets	\$203,125
Non-cash Assets from Start-up	\$118,750
Cash Requirements from Start-up	\$0
Additional Cash Raised	\$118,750
Cash Balance on Starting Date	\$121,875
TOTAL ASSETS	\$0
Liabilities and Capital	\$0
Liabilities	\$0
Current Borrowing	\$0
Long-term Liabilities	\$0
Accounts Payable (Outstanding Bills)	\$0
Other Current Liabilities (interest-free)	\$0
TOTAL LIABILITIES	\$0
Capital	\$0
Planned Investment	\$0
Investor 1	\$312,500
Investor 2	\$0
Other	\$0
Additional Investment Requirement	\$0
TOTAL PLANNED INVESTMENT	\$695,000

Start-up Expenses	Amount
Loss at Start-up (Start-up Expenses)	\$313,125
TOTAL CAPITAL	\$221,875
TOTAL CAPITAL AND LIABILITIES	\$221,875
Total Funding	\$265,000

3.

Products and Services

The Order Process For Both Sides
Regulatory Requirements



REMEMBER

Before starting a food delivery business, you must take many things into consideration such as you must consider what types of food delivery services will you be providing to your customers. Deciding your services is extremely important since it helps you plan other components of your business so make sure to consider it before you think about how to start a food delive

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Products and services



On-demand delivery app

Provision of a community-based on-demand delivery app that connects the restaurant to the local community by providing on-demand delivery from local restaurants.



Offer & Deals

Houston Food Delivery will allow its users to browse through the number of different restaurants' offers, price-lists, and menus and easily order.



Managing all the orders online



Provision of deliverers who deliver the orders

The Order Process For Both Sides



TIP

The customer places the order via the app, and upon receiving the estimated delivery time confirm the payment method and then the order. Upon order confirmation, the partnering restaurant is being notified via Houston Food Delivery and can accept or decline the order. If the restaurant declines the order, the customer is notified. Once the order has been confirmed

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Regulatory Requirements



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Houston Food Delivery will secure all necessary permits and licenses as mandated by the Federal Government of the United States to carry out its operations.

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4.

Market Analysis

On-Demand Delivery Market

The United States Market



REMEMBER

The most important component of an effective food delivery service business plan is its accurate marketing analysis. If you are starting on a smaller scale, you can do marketing analysis yourself by taking help from this food delivery business plan sample or other food delivery business plans available online.

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On-Demand Delivery Market



TIP

Statista pegged revenue in the online food delivery segment to \$94.385 billion in 2019. It estimated revenue to show an annual growth rate (CAGR 2019–2023) of 9.3%, resulting in a market volume of \$134.49 billion by 2023. The market’s largest segment is restaurant-to-consumer delivery, which figures to \$58 billion this year.

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The United States Market



TIP

The United States online food delivery market was worth US\$ 18.8 Billion in 2019. Online food delivery is the process of ordering food from a food service provider using a mobile application or webpage. These applications and web pages provide filters and various paying methods, which include, prepaid cards, cash on delivery, net banking, etc., catering to the requirements.

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5.

Strategy & Implementation

SWOT Analysis

Threats Mitigation

Marketing And Sales Plan



REMEMBER

After identifying the market demand, market trends, and the potential customers of the startup, the next step is to define an effective strategy for attracting those customers. Like marketing analysis, sales strategy is also an important component of a food delivery business startup and must be properly planned before you think about starting your own food delivery business.

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SWOT Analysis

Strengths

- Experience in using similar apps
- A unique app that is customized to the client's taste
- Well-established and efficient operational plan with the aid of technology
- Exceptional customer service
- Fast delivery service
- Focus on groceries, restaurants, retailers, etc.
- Boosting stores and restaurant sales and empowering drivers
- Simple-to-use, fast, transparent, reliable, and secure platform
- Safe and accessible storage type

Weaknesses

- Limited funds to start up
- Low brand recognition: We will leverage aggressive marketing in the first few years of operations to build brand awareness and gain the loyalty of users

Opportunities

- The growing mobile app market and increasing internet penetration worldwide
- The increasing rate of dining out and online order.
- Opportunity to penetrate prospective markets in various American regions with our interactive app
- Technological advancement offering improvements to mobile apps

Threats

- Intense competition from existing apps and platforms alike
- Susceptibility of the platform to cyberattacks
- Uncertainty about the economic outlook especially with the COVID-19 pandemic outbreak

Threats Mitigation



TIP

To minimize threats of competition, we will create unique features on the app that are tailored to users' needs and regularly update. We will also utilize a pricing strategy that is competitive to win more customers. Additionally, we will stay innovative to meet up with market demands and lastly, offer excellent customer service.

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Marketing And Sales Plan



TIP

- Grow the brand
- Drive sales/ app installs
- Improve customer retention;
- Boost brand engagement

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Objectives

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TIP

Website Development/ Improvement

- Ensure website and app is very simple to use, responsive, user friendly, and secure
- Make the website very

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Pre-Launch

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TIP

- Release app on both App Stores, Google Play, and other stores
- Send our emails to prospective users announcing the app launch
- Contact the press to publish articles concerning the app

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Launch Day

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TIP

LAUNCH APP-INSTALL ADS:

- Launch app-install campaigns on Twitter, Facebook, etc., targeted at prospective users
- Launch banner ads on websites

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Post-Launch

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6.

Personnel plan

Average Salary of Employees



REMEMBER

A personnel plan is also an important component of an auto detailing business plan since it gives you an estimate of the staff required for your startup as well as the costs incurred on their salaries. So, make sure to duly consider it before thinking about how to start an auto detailing business. The personnel plan of AutoCar Detailing is as follows.

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TIP

The success of our food delivery business will be anchored on the team, not on any individual. With the wide range of our service offerings, we are only expected to employ more than it is required to run a conventional food delivery business.

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Average Salary of Employees

The following table shows the forecast data about the salaries of the employees for the next three years:

	Year 1	Year 2	Year 3
Accountant	\$85,000	\$95,000	\$105,000
Sales Executives	\$45,000	\$50,000	\$55,000
Delivery Boys	\$550,000	\$650,000	\$750,000
Managers	\$145,000	\$152,000	\$159,000
Application/Web Developers	\$50,000	\$55,000	\$60,000
Marketing Executives	\$87,000	\$94,000	\$101,000
Customer & Support Representative	\$42,000	\$45,000	\$48,000
Total Salaries	\$1,004,000	\$1,141,000	\$1,278,000

7.

Financial Plan

Important Assumptions

Brake-even Analysis

Projected Profit and Loss

Projected Cash Flow

Projected Balance Sheet

Business Ratios



REMEMBER

The last component of a food delivery business plan is an in-depth financial plan. The financial plan crafts a detailed map of all the expenses needed for the startup and how these expenses will be met by the earned profits. It is recommended that you use [our financial planning tool](#) for guiding you through all financial aspects needed to be considered for starting a food del

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TIP

The company will be financed by Richard himself and he will control the direction of the business to make sure that it is expanding at the forecasted rate. As for the food delivery business start-up, no equity funding or outside loans will be required. With the help of financial experts, Richard has developed the following financial plan for his auto detailing start-up

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Important Assumptions

The financial projections of the company are forecast on the basis of following assumptions. These assumptions are quite conservative and are expected to show deviation but to a limited level such that the company's major financial strategy will not be affected.

	Year 1	Year 2	Year 3
Plan Month	1	2	3
Current Interest Rate	10,00%	11,00%	12,00%
Long-term Interest Rate	10,00%	10,00%	10,00%
Tax Rate	26,42%	27,76%	28,12%
Other	0	0	0

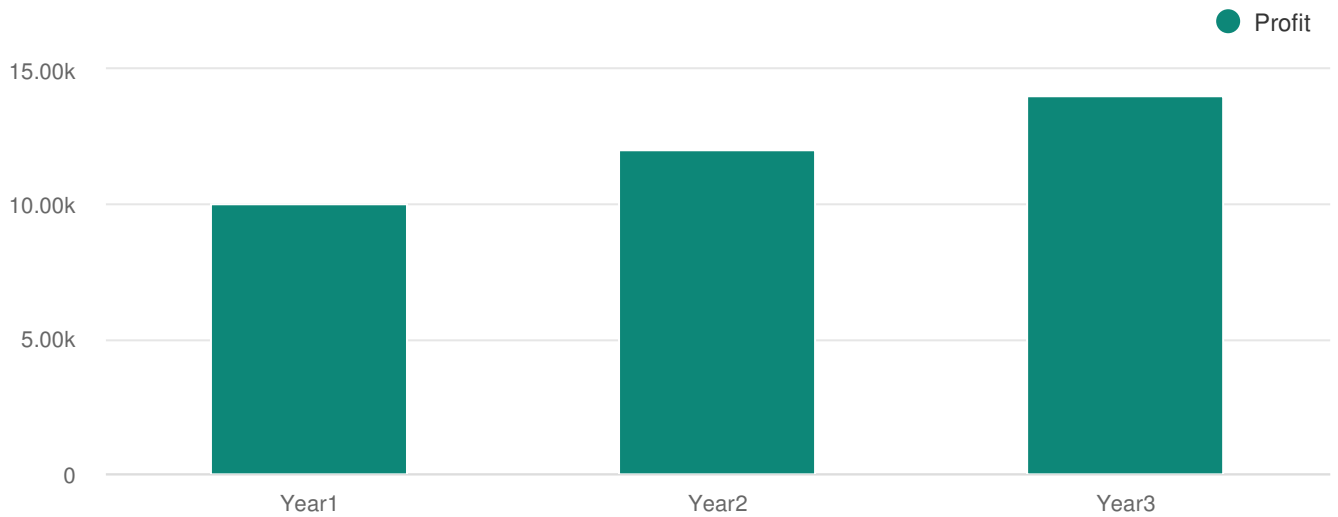
Brake-even Analysis

Monthly Units Break-even	5530
Monthly Revenue Break-even	\$159 740
Assumptions:	
Average Per-Unit Revenue	\$260,87
Average Per-Unit Variable Cost	\$0,89
Estimated Monthly Fixed Cost	\$196 410

Projected Profit and Loss

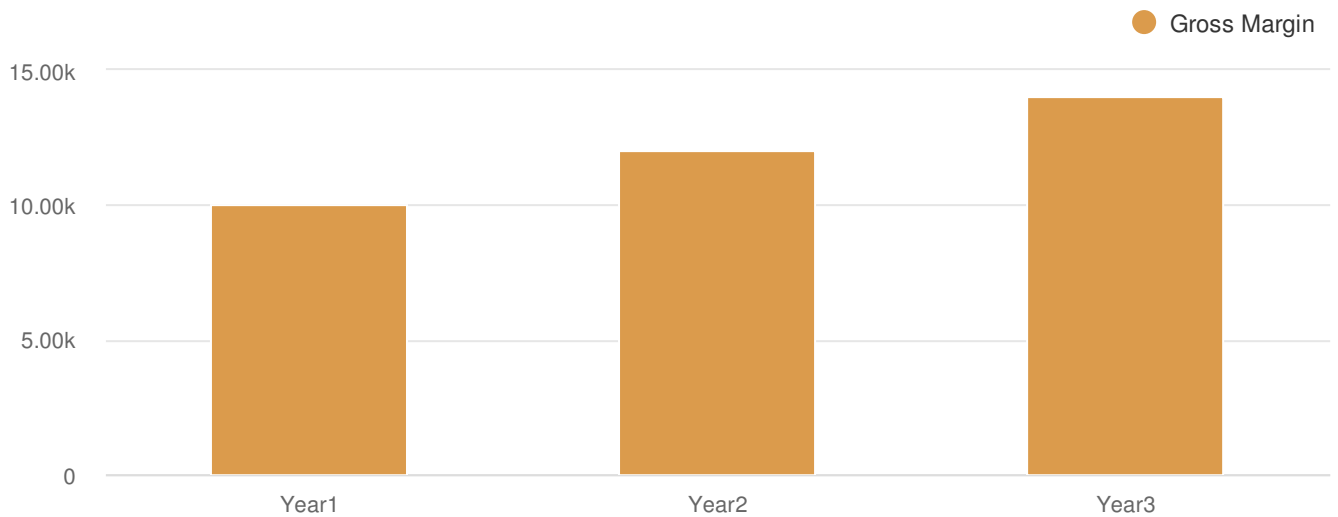
	Year 1	Year 2	Year 3
Sales	\$309 069	\$385 934	\$462 799
Direct Cost of Sales	\$15 100	\$19 153	\$23 206
Other	\$0	\$0	\$0
TOTAL COST OF SALES	\$15 100	\$19 153	\$23 206
Gross Margin	\$293 969	\$366 781	\$439 593
Gross Margin %	94,98%	94,72%	94,46%
Expenses			
Payroll	\$138 036	\$162 898	\$187 760
Sales and Marketing and Other Expenses	\$1 850	\$2 000	\$2 150
Depreciation	\$2 070	\$2 070	\$2 070
Leased Equipment	\$0	\$0	\$0
Utilities	\$4 000	\$4 250	\$4 500
Insurance	\$1 800	\$1 800	\$1 800
Rent	\$6 500	\$7 000	\$7 500
Payroll Taxes	\$34 510	\$40 726	\$46 942
Other	\$0	\$0	\$0
Total Operating Expenses	\$188 766	\$220 744	\$252 722
Profit Before Interest and Taxes	\$105 205	\$146 040	\$186 875
EBITDA	\$107 275	\$148 110	\$188 945
Interest Expense	\$0	\$0	\$0
Taxes Incurred	\$26 838	\$37 315	\$47 792
Net Profit	\$78 367	\$108 725	\$139 083
Net Profit/Sales	30,00%	39,32%	48,64%

Profit Yearly



Financial Year	Profit
Year1	10000
Year2	12000
Year3	14000

Gross Margin Yearly



Financial Year	Gross Margin
Year1	10000
Year2	12000
Year3	14000

Projected Cash Flow

Cash Received	Year 1	Year 2	Year 3
Cash from Operations			
Cash Sales	\$40 124	\$45 046	\$50 068
Cash from Receivables	\$7 023	\$8 610	\$9 297
SUBTOTAL CASH FROM OPERATIONS	\$47 143	\$53 651	\$59 359
Additional Cash Received			
Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0
SUBTOTAL CASH RECEIVED	\$47 143	\$53 651	\$55 359
Expenditures from Operations			
Cash Spending	\$21 647	\$24 204	\$26 951
Bill Payments	\$13 539	\$15 385	\$170 631
SUBTOTAL SPENT ON OPERATIONS	\$35 296	\$39 549	\$43 582
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0
Purchase Other Current Assets	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0
Dividends	\$0	\$0	\$0
SUBTOTAL CASH SPENT	\$35 296	\$35 489	\$43 882
Net Cash Flow	\$11 551	\$13 167	\$15 683
Cash Balance	\$21 823	\$22 381	\$28 239

Projected Balance Sheet

Assets	Year 1	Year 2	Year 3
Current Assets			
Cash	\$184 666	\$218 525	\$252 384
Accounts Receivable	\$12 613	\$14 493	\$16 373
Inventory	\$2 980	\$3 450	\$3 920
Other Current Assets	\$1 000	\$1 000	\$1 000
TOTAL CURRENT ASSETS	\$201 259	\$237 468	\$273 677
Long-term Assets			
Long-term Assets	\$10 000	\$10 000	\$10 000
Accumulated Depreciation	\$12 420	\$14 490	\$16 560
TOTAL LONG-TERM ASSETS	\$980	\$610	\$240
TOTAL ASSETS	\$198 839	\$232 978	\$267 117
Current Liabilities			
Accounts Payable	\$9 482	\$10 792	\$12 102
Current Borrowing	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0
SUBTOTAL CURRENT LIABILITIES	\$9 482	\$10 792	\$12 102
Long-term Liabilities	\$0	\$0	\$0
TOTAL LIABILITIES	\$9 482	\$10 792	\$12 102
Paid-in Capital	\$30 000	\$30 000	\$30 000
Retained Earnings	\$48 651	\$72 636	\$96 621
Earnings	\$100 709	\$119 555	\$138 401
TOTAL CAPITAL	\$189 360	\$222 190	\$255 020
TOTAL LIABILITIES AND CAPITAL	\$198 839	\$232 978	\$267 117
Net Worth	\$182 060	\$226 240	\$270 420

Business Ratios

	Year 1	Year 2	Year 3	Industry Profile
Sales Growth	4,35%	30,82%	63,29%	4,00%
Percent of Total Assets				
Accounts Receivable	5,61%	4,71%	3,81%	9,70%
Inventory	1,85%	1,82%	1,79%	9,80%
Other Current Assets	1,75%	2,02%	2,29%	27,40%
Total Current Assets	138,53%	150,99%	163,45%	54,60%
Long-term Assets	-9,47%	-21,01%	-32,55%	58,40%
TOTAL ASSETS	100,00%	100,00%	100,00%	100,00%
Current Liabilities	4,68%	3,04%	2,76%	27,30%
Long-term Liabilities	0,00%	0,00%	0,00%	25,80%
Total Liabilities	4,68%	3,04%	2,76%	54,10%
NET WORTH	99,32%	101,04%	102,76%	44,90%
Percent of Sales				
Sales	100,00%	100,00%	100,00%	100,00%
Gross Margin	94,18%	93,85%	93,52%	0,00%
Selling, General & Administrative Expenses	74,29%	71,83%	69,37%	65,20%
Advertising Expenses	2,06%	1,11%	0,28%	1,40%
Profit Before Interest and Taxes	26,47%	29,30%	32,13%	2,86%
Main Ratios				
Current	25,86	29,39	32,92	1,63
Quick	25,4	28,88	32,36	0,84
Total Debt to Total Assets	2,68%	1,04%	0,76%	67,10%
Pre-tax Return on Net Worth	66,83%	71,26%	75,69%	4,40%
Pre-tax Return on Assets	64,88%	69,75%	74,62%	9,00%
Additional Ratios				
Net Profit Margin	19,20%	21,16%	23,12%	N.A.
Return on Equity	47,79%	50,53%	53,27%	N.A.
Activity Ratios				

	Year 1	Year 2	Year 3	Industry Profile
Accounts Receivable Turnover	4,56	4,56	4,56	N.A.
Collection Days	92	99	106	N.A.
Inventory Turnover	19,7	22,55	25,4	N.A.
Accounts Payable Turnover	14,17	14,67	15,17	N.A.
Payment Days	27	27	27	N.A.
Total Asset Turnover	1,84	1,55	1,26	N.A.
Debt Ratios				
Debt to Net Worth	0	-0,02	-0,04	N.A.
Current Liab. to Liab.	1	1	1	N.A.
Liquidity Ratios				
Net Working Capital	\$120 943	\$140 664	\$160 385	N.A.
Interest Coverage	0	0	0	N.A.
Additional Ratios				
Assets to Sales	0,45	0,48	0,51	N.A.
Current Debt/Total Assets	4%	3%	2%	N.A.
Acid Test	23,66	27,01	30,36	N.A.
Sales/Net Worth	1,68	1,29	0,9	N.A.
Dividend Payout	0	0	0	N.A.