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MU Grocery Delivery Business Plan

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MU Grocery Delivery Business Plan December 2018



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I. Executive Summary

MU Grocery Delivery is a premier grocery delivery service founded in 2018. In a thriving delivery industry, MU Grocery Delivery offers a friendly and familiar face when receiving your delivery. On top of the friendly and familiar face, MU Grocery Delivery also offers a less expensive option than our competitors.

Using the software on Wix Editor, we have created a website that offers over 80 name brand items ranging from food items to toiletries. Our website shares pictures for each item and also offers multiple flavors or scents for many items. The fee our service charges is a 20% delivery fee, and this fee is already built into each item individually on the website. Using this method our customers will see the final price on the shop page and there will be no hidden or extra fees on the payment page. Most of our competitors require a dollar amount fee, a percentage based service fee, and a tip is encouraged. Part of the reason we are inexpensive is that we do not operate daily like other delivery businesses, instead we operate on a weekly basis.

Customers are able to order from 12:00 p.m. Wednesday to 12:00 p.m. the following Tuesday, which is the day of delivery. On Tuesday, the groceries will be picked up, sorted, and delivered to a centralized location on Marian's campus. This location is the Paul J Norman Center Hatchery, room 105. Groceries will be ready for customers to pick up from 8:00 p.m.-9:00 p.m. Tuesday night. There will also be a grace period in which customers can contact us and find a time to pick up their orders individually. We only have a few perishable items on

the website, so those will allow less of a grace period, but most items will be able to sit in the Hatchery for a few days.

We have proven that this business can and will be successful by analyzing the macroeconomic climate of delivery businesses as well as conducting a trial run of our own. During our trial run we were very successful despite our lack of advertising. We grossed \$91.28 and profited \$62.28. This is a great time in the delivery business industry and we will bring this industry directly to Marian University's front door. Marian Grocery Delivery is ready to transform the way Marian University students buy their groceries!

II. Introduction

Mission Statement: MU Grocery Delivery is here to help the students of Marian University change the way they get their groceries by offering a low cost grocery delivery service that will save students time and effort that they could be using for their school work or anything else they feel deserves their time and energy.

Service Summary: MU Grocery Delivery is a quality grocery delivery service for Marian University students. Our website has disclaimers and refund policy explanations. The home page features the date and time of delivery on Marian's campus. We will deliver once a week and we deliver to a centralized location on campus, Norman Center room 105, and students will have an hour to come pick up their groceries from that location. The current time frame for students to pick their groceries up is Tuesday evenings from 8:00-9:00 pm. Having seen our home page, our customers will likely go to our online store page on the website. Our online store is comprised of products found at Walmart, Meijer, and Target stores. There are currently 80 items on our website. Many of these items have multiple varieties as well. The costs of the items are already pre-programmed with tax included on taxable items, as well as a 20% markup fee on each item individually. This 20% markup fee serves as our delivery fee.

Objectives: MU Grocery Delivery projects that we will break even after 177 sales at an average of \$11 per sale. Based off our trial run, in which we received 41 orders at around \$11 per sale, we believe that we can double the amount of orders reaching 82 orders per week. We are projected to break even within 3 weeks. At the conclusion of the spring semester, we are projected to have a net income of \$2,152.54. Taking our net income and dividing this by the number of hours each team member worked, we will be making \$19.13 per hour.

III. Opportunity Analysis

A. Service Description

Our team will be providing a service to the students of Marian University. We know that as college students it can be a difficult task to find time to make it to the grocery store. MU Grocery Delivery is a website based business (*See Appendix, Item 1*) that will receive the orders from our customers and bring their orders to campus from various grocery stores such as: Walmart, Meijer, and Target.

B. Target Markets

There are two ideal target markets of MU Grocery Delivery, students attending Marian and the family members of these students. Below are some statistics of Marian students straight from the Admissions Office:

Students at Marian (3,595)

- Students living in Marian dorms and apartments (1008)
- Student without cars on campus (753)
- Student athletes (620)
- Graduate students (514)
- Students with on-campus jobs (361).

The second target market number will vary with everyone's families being different. We will work to hit this large target audience by marketing to them mainly via Facebook. We will also retain emails of anyone who orders so that we can reach out to customers by email. We also intend to post flyers that parents will see when they visit campus.

C. Survey & Results

MU Grocery Delivery conducted two surveys during the course of the fall semester. The first was sent to business students that we were able to connect with through Professor Crawford. Our survey results were as follows:

- Reached 86 people
- Majority of those who responded were Juniors. (27%)
- Majority of people shop for groceries at Walmart (37%)
- Majority of the individuals that answered said that their parents helped them pay for groceries (44%)

After conducting our trial run, we sent another survey to the people that participated and our results were:

- Participants were highly satisfied (78%)
- Most students bought groceries twice a week (43%)
- The most popular day that students would use our website is Tuesday (45%)
- Showed that the students would use our service again

D. SWOT Analysis

Strengths:

There are many strengths that the members of MU Grocery Delivery possess. The first strength is that we are enrolled in three different class levels (one junior, one sophomore, and two first year students). Being part of three different class levels means we have a minimum of three years of connections on campus. The next strength is the diversity of the team. One member is female, two are male, and one is nonbinary. One is a management major, one is an accounting major, one is an accounting and finance double major, and one is a communication major. The members of MU Grocery Delivery are in very diverse activities on campus, such as: track and field, wrestling, color guard, 21st Century scholars, bowling, student government association, union of black identities, students of latinx identities, Marian University College Republicans, Marian Maniacs, and Knights for Life. Teamwork is the next strength of the MU Grocery Delivery team. During this semester of Business 109, there were two teamwork

challenges and MU Grocery Delivery won both of them. Some characteristics that we used to win are: communication, assigning tasks based on individual strengths, harmony, and leadership. We also have a diverse work history such as: past work experience on Marian's campus at Starbucks and the Library, as well as being a manager at a local Rue21 for six months while attending Marian. Another member of MU Grocery Delivery has worked at Kroger as a cashier, as well as umpiring Little League baseball games in his hometown. A third member has led crews of painters at apartment complexes as well as communicating with apartment managers to get all of the work done on time. This member has also worked at Cold Stone Creamery, West Lafayette Parks and Recreation, Little League umpiring, and Prelock Blueberry Farms. The fourth team member has worked in retail at Indiana Beach Amusement and Water Park Resort.

Weakness:

There are three major weaknesses that the MU Grocery Delivery team are working on. The first is our busy schedules. Currently, we are all enrolled in at least fifteen credit hours which makes for a demanding course load. Moreover, our members are also involved with a sports team at Marian or an extracurricular activity/club. On top of this, most members have one or more jobs they are working in order to be able to attend Marian University as a student. The next weakness of MU Grocery Delivery is our domineering personalities. When working in a group, the diversity of life experiences is always a strength and weakness. When taking the Clifton Strengthsfinder test, it became apparent that each one of us was in a different category of working with others. This made it rough at the beginning trying to get each other to work on the ideas we personally thought were most important. Lastly, since we all have different learning styles, it makes learning how to do specific accounting activities for example very difficult. One person could understand the concept perfectly as soon as the teacher explained it, whereas

other members of MU Grocery Delivery need to have that classmate explain it to them on their own time before they could really help the group accomplish the task at hand. This weakness made getting tasks done take a little longer.

Opportunities:

The first opportunity that MU Grocery Delivery wants to take advantage of is that everyone eats. Another major opportunity is that the majority of college students have busy schedules. Additionally, the opportunity to provide products that every student could need repeatedly, and will often run out of, is excellent for the structure of MU Grocery Delivery. It is very rare to find a student on Marian's campus that is not at least involved in one other thing outside of their school work. Whether it be sports, clubs, working, or taking care of family members it is hard to find a balance between all the different schedules and all the different expectations one is held to. Athletes have shown interest in this service, and this will be talked more about in the section titled Marketing Plan, subsection Promotions (*page 23*). The last opportunity to make an extra profit is taking advantage of Walmart's savings catcher and price match. While MU Grocery Delivery is shopping at Walmart, we are likely to get money back by using these services.

Threats:

There are various threats that MU Grocery Delivery could face. The first threat is other delivery services such as: Instacart, Postmates, Gopuff, Ubereats, Grubhub, and Doordash. The next threat is the potential for car accidents. Although we have met with Deb Lawrence (Marian University's attorney) to make sure that Marian would not be at fault if something like this were to happen, we cannot control the actions of other motorists. The next threat is if our website were to malfunction. Technology is not always the most user-friendly, so there is the potential that something could happen to cause our website to malfunction and prevent us from getting

orders for a period of time. Though we did due diligence to choose the best site provider available that meets our needs, nothing is perfect. The last major threat is money transfer holdups. Unfortunately, we are not able to control how quickly the money transfers from our website to our bank account. This is why we need upfront money from the sharks in the event of a hold up at the bank like there was during the trial run. This will be talked more about in the section titled Marketing Plan, Subsection Promotions (*page 23*).

E. Resources & Placement

The first major resource that MU Grocery Delivery is fortunate to have is that each member has their own car. The next resource MU Grocery Delivery will use is the member's knowledge of the Canva website. Canva is where all our promotional flyers have been created. The placement of MU Grocery Delivery is located in the Byrum School of Business. The Paul J. Norman Center contains a Hatchery (room 105) that is designated for the winners of the Business 109 competition to use for the duration of the following semester.

F. Competitive Analysis

To figure out what our price should be to make a profit, and still be less expensive than our competition, we analyzed our two major competitors. We found that our top two competitors Postmates and Instacart charge the following:

- Postmates
 - \$10 delivery fee
 - 9% service fee
 - tip encouraged
 - Yearly Plan \$95.88 (orders must be over \$15) + tip encouraged
- Instacart
 - \$5.99 delivery fee
 - 10% service fee
 - tip encouraged
 - Yearly Plan \$149 + tip encouraged

We decided that in order to be more appealing to our customers we needed to be inexpensive and simpler to use. This is why we did not follow their model of expecting multiple payments in each transaction. The reason these services must charge more is because they deliver all day to different locations. Since we are making one trip to the store per week and delivering to a centralized location, our costs are much less. That allows us to be less expensive for our customers. We also surveyed our target markets and found that many of them did not see our fee of 20% on each item as unfair or too expensive.

G. Proof of Demand

To prove demand for our service, and with special permission from Dean Kershaw (Dean of the business school), Dean Rogers (Dean of students), Scott Jane (Dining services) and Deb Lawrence (Marian University's attorney), we conducted a trial run on October 30, 2018. We started our meetings with the people stated above, two weeks prior (October 16, 2018) in order to get approved. Once all the people stated above had given MU Grocery Delivery permission to conduct a trial run, we created 50 flyers (*See Appendix, Item 2*), after getting the flyers approved by Robin Spearin (Head of student affairs) to be hung up around Marian's campus we hung them according to the following list:

- 3 in the Byrum School of Business
- 3 in Oldenburg
- 4 in the Evans Center
- 5 in Clare Halls
- 5 in Drew Hall
- 5 in University Hall
- 5 in Doyle Hall
- 5 in Marian Hall
- 7 in the Library
- 8 in Alumni

The next way to generate awareness was to get our social media up and running. Once all the advertising we could do on a \$0 budget was complete, we waited for the orders to come and decided to disable ordering on the website at noon on October 30, 2018 to give one member time to view all the orders and organize how many of each item was needed (*See Appendix, Item 3*). Once this step was complete, we printed out the receipt of each customer's order, for a total of 41 receipts. The next step in the trial run was meeting to go pick up the orders. Being our first time doing this, we all wanted to participate in the trial run, but we plan on limiting the grocery shopping to two people each time during the spring semester. For the trial run shopping, we all met at the Walmart on 4545 Lafayette Rd, Indianapolis, IN 46254 at 6:30 p.m. We split up the four members of MU Grocery Delivery into two teams of two and each team took half of the list of items and we met at checkout, after gathering all the items on our half of the list. The gathering of the items took 30 minutes to complete with checkout taking another 10 minutes. Unfortunately, Walmart did not have all of the items we needed for our first run so one team of two took the groceries back to Marian and started sorting them while the other team of two went to the Meijer on 5349 W Pike Plaza Rd, Indianapolis, IN 46254 to collect the remaining items. We, as a whole, ended up having all the orders sorted right at 8:00 p.m. when we advertised people could start picking up their orders.

The pick up process went smoothly. We had one member standing at the main entrance of the business school to direct people down the hallway to the Hatchey, room 105, while the remaining members took the name of the customer, collected their bag with their order, presented them with their receipt and asked them to make sure everything was correct.

For our trial run, we had 41 orders totaling \$431.68. Our total revenue was \$91.28, and after subtracting our expenses our total profit was \$62.28. We are satisfied with these numbers for many reasons. The first is that we did not have an advertising budget. We really only used

the resources we had such as the printing of flyers that our student accounts already have and making social media platforms in order to reach students to participate in our trial run. Another reason we are satisfied with our trial run is because after we finalized our website and got approval from all those stated above, we only had six days to promote and follow through with this trial run. This being our first run, we had to use our own money for the orders and then waited to receive the money from the website. We were able to do this and have an excellent trial run, but this is why we are asking the sharks to fund our first run of the spring semester.

H. Macroeconomic Climate

The macroeconomic climate for MU Grocery Delivery is booming. This is because the delivery industry as a whole is on the rise. According to this chart (*See Appendix, Item 4*), in 2010 groceries being bought online only accounted for about 1.8% of all groceries purchased in the United States, but in 2019, when we will launch, that number will have more than tripled to 6.4%. It is exciting for our company to be operating in a growing industry that shows no signs of declining in the near future.

I. Opportunity Cost

The opportunity cost of our business is anything else we could be doing with our time. In this case, when we win we will receive 3 credits for running the business. These credits will take the place of a class during the spring semester. Our opportunity cost is the class that we would not be taking and will also consist of the hours we work our business that could be spent studying or doing something else.

IV. Financial Analysis

A. Service Price

The price of our delivery is a 20% fee. Based on our research and talking with our customers at the trial run, we decided to charge the 20% fee on each item individually instead of on the payment page. The consensus from most of our customers was that they did not even realize a difference in the price of items on our website compared to in the store. To come up with our price point, we analyzed Postmates and Instacart, two popular delivery services in the Indianapolis area. Each of these companies charge a flat rate, a service fee, and encourage a tip, see Section Opportunity Analysis, Subsection Competitive Analysis on pages 11-12.

B. Price Reasoning

We came to our price of a 20% fee for a couple reasons. The first reason was that it is a reasonable price that many college students are willing to pay. Our survey results showed that 41% of students would pay the 20% delivery fee. We also choose 20% because it makes us less expensive than our competitors. We are at a disadvantage because we only operate once a week, so we charge less as an incentive for students and their family to buy from us. A 20% fee still allows us to make a good profit margin on our orders. All things considered, we decided that a 20% delivery fee was the ideal price for our service.

C. Sales Forecast

We are predicting that we will receive 82 orders per week during the spring semester. The reason we are predicting 82 orders is because during our trial run we received 41 orders. This was on a \$0 budget for advertising and we also only had the website up and running for six

days. With a \$100 budget for advertising, see section Financial Analysis subsection Capital Needs (page 19-20), for the spring semester and more awareness of our service on campus, we feel it is attainable to double the amount of orders we received during our trial run.

D. Financial Statements

Income Statement

Our fees earned in our income statement (See Appendix, Item 5) are comprised of numbers mostly from our successful trial run. During our trial run we were able to generate enough awareness to make a good amount of sales, but nothing near what we expect to make when we launch our business. The trial run ended with 41 orders totalling \$431.68. This averages out to \$11 per order. Using these numbers, we believe it is reasonable to predict, with a good marketing strategy and an advertising budget, we will be able to double our sales from the trial run during the spring semester. This is how we found our fees earned, we doubled our orders to 82 orders a week at an average of \$11 an order. We then multiply this by our service fee of 20%. $82 \text{ orders} * \$11 \text{ per order} * .20 \text{ delivery fee} = \180.40 per week . We will be ready to operate at the start of the semester, so we anticipate operating for 15 weeks. $\$180.40 * 15 \text{ weeks} = \$2,706 \text{ fees earned}$. The next number on our income statement is \$500, this comes from our credit card rewards. We are applying for a credit card through Chase, the same bank our bank account is with. When we spend \$3,000 within 3 months, we will receive a \$500 rewards check. From our projections, we will spend more than \$8,736 in our first 3 months, so we will definitely receive this \$500 of rewards money. This brings our total revenue to \$3,206.

Our expenses for the semester will be minimal. The largest expense will be the variable expense of credit/debit card transactions. There is a service fee of \$0.30 per transaction as well as an overall fee of \$0.03 on the total of every order. For the first fee of \$0.30 per transaction, the equation is:

82 orders per week * 15 weeks * \$0.30 fee per order = \$369. Then we calculated the \$0.03 fee on the overall total purchases. To find the overall purchases we must go back to how many orders per week, average order total, and number of weeks in business. The equation is: 82 orders * \$11 per order * 15 weeks * \$0.03 fee per order = \$405.90. Now we add these two separate credit/debit expenses together and we get our credit/debit expense of \$369 + \$405.90 = \$774.90.

Our other expenses are fixed and much simpler. First is the advertising expense. It is exactly \$100. The \$100 is split into different sectors. We will be spending \$40 for five shirts. These shirts will be worn by our four group members and the fifth shirt will be given to a customer in a contest. Our next advertising expense is \$15 for 250 business cards that we will be handing out to as many Marian students as we can. The business cards will have our website and contact information on it. We will also be using \$20 for cash back incentives to customers. We will do this in four segments of \$5 cash back to the winner of the contest. Our last advertising expense is \$25 for 100 flyers. Our flyers were successful in getting us customers for our trial run, so we will be sticking with them. We already have a new flyer designed for January. All of these advertising expenses of \$40 + \$15 + \$20 + \$25 = \$100 in advertising expense.

The next expense is our website expense which is \$25 per month which we will need for 4 months. \$25 a month * 4 months = \$100 website expense. Our gas expense is minimal. Using the mileage from the trial run we estimate it will cost \$4 per week in gas * 15 weeks = \$60 gas expense. The final expense is our interest expense. We found this number by multiplying, \$928 borrowed from sharks * 0.06 interest * 4/12 months = \$18.56 interest expense. All of our expenses added together, \$774.90 + \$100 + \$100 + \$60 + \$18.56 = \$1053.46 total expenses.

Balance Sheet

The balance sheet (*See Appendix, Item 6*) is very simple for our service. We only have one item in all three categories: assets, liabilities and stockholders equity. Our asset section has our cash, our net income from our income statement, \$2,152.54. This number equals our liabilities and stockholders equity together. Our item in our liabilities section is notes payable, this number is what we are asking the sharks to loan us, \$928. Lastly is our retained earnings in our stockholders equity section. The retained earnings total is \$1,224.54.

Statement of Cash Flows

The statement of cash flows (*See Appendix, Item 7*) start with cash flows from operating activities. First in this section is our cash received from customers which is the same as our fees earned number, \$3,206. Next in this section is cash paid for expenses, which is \$1,053.46. These numbers subtracted equal our net cash flows from operating activities, \$2,152.54. Next is our cash flows from financing activities. The number under this section is the notes payable from the sharks, \$928. Since we have no investing activities, we go straight to the final section of net increase in cash. This number is derived from subtracting the \$928 from financing from the \$2,152.54 from operating. This gives us a cash balance of \$1,224.54.

Statement of Stockholders Equity

For the statement of stockholders equity (*See Appendix, Item 8*) we decided not to invest ourselves in the business, so we do not have any common stock or preferred stock. The only number in this section is our retained earnings from the balance sheet. This makes our retained earnings total and overall total \$1,224.54.

E. Scenario Analysis

Using our scenario analysis excel spreadsheet (*See Appendix, Item 9*) that was comprised of numbers in our financial statements, we created our matrix. The fees earned was used, but we did not add the \$500 credit card revenue because of the fact that it would mess our profit per unit up. As this revenue is not directly related to the revenue from the items we sell. Our matrix is very important because it shows how our business will operate at a high, mid, and low price, and sales points. This matrix played a part in coming up with our final decision to make our service fee of 20%. We decided that our profit per unit and break even point were very strong at our mid price and mid sales point. Our mid sales are 1,230 for the semester which is equivalent to 82 sales per week. Our mid price point is 20%, as stated earlier, and looking at these points our profit per unit is \$1.34. Our unit in this case is an \$11 sale that we make 20% on. This means we are making a 61% profit margin on each sale. This is an encouraging and strong number for us! The other extremely important number in the matrix is our break even point of 177 orders. With 82 orders a week, we will be able to hit this number within three weeks of operation. This means all of our fixed and variable costs to that point will be covered. We will only have the variable cost for the remaining twelve weeks that we are operating.

F. Capital Needs

MU Grocery Delivery is asking the sharks to invest \$928 into our company. The money will be spent as follows: \$728 to fund our first week of orders, \$100 to pay for the website and create our own domain, and \$100 for advertising.

To give a little more detail, during our trail run we had to use our own money as the upfront money because the money transferring out of one person's bank account into the MU Grocery Delivery account takes a few days. We are asking for the \$728 in order to cover the first order. We arrived at this number by doubling the number of orders and thus doubling the

amount of upfront money that is needed in order to buy the groceries for the first time of the spring semester.

The next expense that MU Grocery Delivery has to pay to activate our website for the duration of the spring semester. The \$100 would not only activate our website for the duration of the semester, but it would also allow for MU Grocery Delivery to be in the domain instead of having it as a complicated domain.

The last expense that MU Grocery Delivery has is advertising. Our advertising expense comes out to \$100 but is broken down as the following:

- \$40 for 5 Shirts (*See Appendix, Items 10*) (4 shirts for the founders of the company and 1 that we will use as a promotional item to generate more business as well as advertising when the winner of the shirt wears it around campus)
- \$15 for 250 business cards (*See Appendix, Item 11*) (business cards will be handed out in the bags of the customers first order as well as being carried around with the founders in order to easily promote our service on campus)
- \$20 for cash back giveaways (this was an aspect that went very well in our trial run and will be further explained in the trial run section of this paper)
- \$25 for 100 flyers (*See Appendix, Item 12*). These flyers will be placed in the same buildings as mentioned in the section Marketing Plan, subsection Flyers (*page 25*).

V. Operation Plan

A. How Service Works

Our service works by customers placing their orders on our website. We will then make an excel spreadsheet of what was ordered and the quantity of each item. Once we have the excel spreadsheet, one to two team members will drive to the store. They will divide up the list of items and collect them. They will proceed to checkout. The team members will come back to Marian University. After unloading the groceries they will be sorted into the individual orders. When the groceries are sorted, the customer will be able to pick up their order from 8:00-9:00 p.m. in the Paul J Norman Center, room 105.

B. Hours worked

We estimate that we will work on average seven and a half hours per week. These hours will be spent by different group members each week depending on availability. Two members will spend approximately two hours at the grocery store getting all of the groceries. We will then have two members sorting the items for the one hour timeblock that people can come and pick up their groceries. One member may come a little early to bag groceries, and may leave a little early if most orders have been picked up. The first half hour will be the busiest, so one member will stand near the main doors of the Paul J. Norman Center to direct traffic to the Hatchery (Paul J. Norman Center, Room 105). This worked very well in the time frame of our trial run. We expect very similar results when we launch our business in the spring semester. The final hour and a half will be spent updating the website, printing invoices, creating the excel chart of items to purchase, and handling any other emails or issues from customers. This time was less than

an hour for our trial run, but with the long term affect and possibility of issues, this time block allows us a window to fix any issues and make sure we keep our customers happy and coming back.

C. Gantt Chart

Our gantt chart (*See Appendix, Item 13*) shows that we will be receiving the loan from the sharks at some point between when December 6, 2018 and January 22, 2019. We will continue to post on social media throughout break to keep our name and service in the minds of our followers and potential customers. We prioritized ordering business cards and shirts for our company as soon as the loan from the sharks comes through. We will make our bank account sometime between December 14th-29th of 2018 (Christmas break), so it is ready to use when we get back from break. Paying for our website and our custom domain will be next. We believe that creating a custom domain (mugrocerydelivery.com) would be more memorable than the domain that we are currently using (treymccartney4.wixsite.com/mudelivery). Finally, we will put up flyers and promote our cash back contest that the contestants would enter by retweeting and liking a tweet on our Twitter. We believe that these items should go last because they are the finalizing touches before we can start operating.

D. Organization

MU Grocery Delivery has a few jobs that each member will be responsible for doing on their own during the spring semester, these include:

- Emily will be connecting with parents via Facebook
- Matthew will be making an excel sheet with all the names of the products needed as well as the quantity of them
- Trey will be updating the website, handling payments and invoices, and our company bank account
- Salem will be managing our Instagram and Twitter, with a focus on promotions and advertising, as well as conducting contests in hopes to generate new customers

VI. Marketing Plan

A. Promotions

In order to generate more awareness for our service, we conducted a Twitter contest (See Appendix, Item 14), that stated if the Marian University student was following our Twitter account and retweeted our contest tweet, their username would be entered into a random draw to receive \$5.00 cash back on their order during the trial run, as long as their order was \$5.00 or more. The random drawing consisted of the eight usernames of the people who entered the contest being written on a small sticky note, placed into a bag with one name being selected. The username on that sticky note was notified that they won our contest via Twitter. Since this promotional idea worked so well during the trial run, we plan on conducting the same promotion when our business is in operation. This not only gets more students aware of the business by gaining retweets, but it also gives MU Grocery Delivery a chance to gain more orders because of the free advertising those who enter the contest are doing for our company.

B. Advertising

Along with the social media accounts, which will be explained more later, MU Grocery Delivery has decided the best way to advertise to our student target market would be making and hanging up flyers on the many bulletin boards around campus, creating shirts for the founders of MU Grocery Delivery to wear around campus, creating and handing out business cards to those who ordered off our website, and finally creating a commercial that will be played on the digital screens on Marian University's campus (already approved by the Marketing and Communication office).

C. Social Media

MU Grocery Delivery decided the best way to reach family members was on Facebook (*See Appendix, Item 15*) and the best way to reach students would be on Twitter and Instagram. As stated in the operation plan, one member of MU Grocery Delivery is in charge of finding the family members of current Marian University students on Facebook by using the names of the students who follow our Twitter and Instagram, plugging in their name in the search engine part of Facebook, and looking at their profile to find their family member's names and inviting them to like our Facebook page. Thus far, we currently have 47 Facebook likes from current Marian University students, their family members, and alumni.

For MU Grocery Delivery's Twitter page (*See Appendix, Item 16*), our company plans on engaging with our student target market the most. Twitter has been known for its easy engagement with other people because of the ability to retweet a tweet. This was the deciding factor as to why we hosted our cashback contest on Twitter. During the time of the contest, our Twitter account gained ten followers because of the retweets that were required to enter the contest. With more and more followers, we are hoping that with our next contest we will gain more retweets, resulting in more of our target market being exposed to our service.

MU Grocery Delivery on Instagram (*See Appendix, Item 17*) is used to inform our student target market of our service. We have posted a highlight story of our trial run that shows our contest winner as well as all the orders that were placed during this run. On the highlight story, we currently have about half of our followers viewing or have viewed this. Currently sitting at a little over two hundred followers, our Instagram has become more and more popular as the semester has gone on.

D. Flyers

We created a flyer for our trial run (mentioned earlier in section Opportunity Analysis subsection Proof of Demand (*pages 12-14*)). The flyer is Halloween themed because we conducted the trial run on October 30, 2018 (See Appendix, Item 2). We were very successful and we used our student account to pay for our flyers, as well as advertising for free on social media. We believe these flyers were successful and have now made one to put up in January when we are ready to conduct our first delivery of the semester. This flyer (*See Appendix, Item 12*) will be put up all over, in each building on Marian's campus.

E. Shirts

Currently, we plan to have five shirts made with MU Grocery Delivery and a shopping cart on them (*See Appendix, Item 10*). Each member of our team will have one of these shirts, and we will wear them often to advertise our business. We will also have a winner from a drawing who receives the final shirt. This drawing will be done after our first order of the spring semester, to encourage the use of our service.

F. Business Cards

We plan to have 250 business cards made (*See Appendix, Item 11*). The business cards will be given to students throughout the semester. Each team member will be responsible for taking cards with them around campus and to classes to give to our student target market. These business cards have the link to our website as well as our contact information.

G. Commercial

We filmed a commercial as a way to be light-hearted and funny as a group. It brought our group closer and ready to work next semester running our business. Our purpose of the commercial is to make people laugh and remember who MU Grocery Delivery is. We have been approved to air our commercial on the digital screens around campus via the Marketing and

Communication office. We will also put the commercial on our social media. The commercial is short, funny, and gets our name and service on the map at Marian University.

VII. Exit Strategy

The exit strategy for our company, since we do not offer a product and we will not have much overhead, is pretty simple. When it comes to the end of the semester we may have some leftover grocery bags. We will either keep these bags for personal use or recycle them. We will not have paid for the bags, so this will not hurt our profitability. We may also have some flyers or business cards left, which will be recycled. The last issue we may run into during the semester is someone not picking up their order. If this were to happen, it would not be harmful to the company financially because we will have already received their payment. We will send reminder emails for a day or two, but if the customer neglects to get their order, we will donate the order to Knightro's Pantry, a food service on campus that helps lower income students who cannot afford to buy groceries.

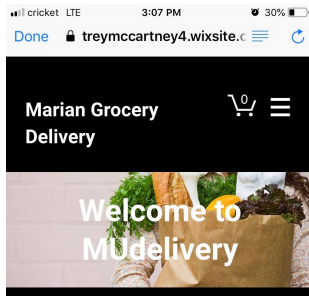
VIII. Conclusion

MU Grocery Delivery will be the new way to buy groceries at Marian University. We are committed to changing the culture of grocery shopping on campus with our easy-to-use website. We offer a unique and inexpensive opportunity for Marian University students to save time by buying their groceries quickly online for a small fee of 20% of their entire order. We are committed to serving our campus with a smile and a friendly face. We will use our advertising budget to get our name out there and constantly stay fresh in our customer's minds. With the loan from the sharks we will launch our business on January 15, 2019 and we will begin to make money immediately. Our costs are small and our potential is tremendous. The delivery business is booming and we plan to be the next successful business in this industry. We are MU Grocery Delivery and we will DELIVER!

IX. Appendix

1. Link to website and photo of the website

treymccartney4.wixsite.com/mudelivery



2. Flyer for the trial run



3. List of product names and quantity

Item	Quantity	Flavor
Rold Gold Pretzels	2	
Cheez IT	6	
Hot Pockets	1	Ham&Cheddar
Velveta Shells & Cheese	4	
Kraft Easy Mac	3	
Chips Ahoy Original	2	
Chips Ahoy Chewy	2	
Act 2 Butter Popcorn	2	
Gatorade Frost 18 pack	3	
Febreze 8.8 oz	4	Hawaii Aloha
Gatorade 8 pack	2	Lemon Lime
Eos Organic Lip Balm	2	Strawberry Sorbet
Pop Tarts 16 ct	1	Blueberry
Tide Pods Original Scent	2	
Quaker Granola Bars	2	Chocolate Chip
Old spice body Wash	2	
Clif Bars 6 ct	1	Chocolate Chip
Dove body Wash (Women)	1	
Quaker Granola Bars	3	Peanut Butter Chocolate Chip
Golden Oreos Family Size	2	
Hershey Halloween Candy assortment 110	1	
Sprite 24 pck	2	
Frosted Flakes 15 oz	1	
Pepperidge farm goldfish 6.6 oz	3	
Monster Energy Drink 4 pck	2	Zero Ultra White
Red Bull 4 pck	2	
Crest Complete Whitening	2	
Ice Mountain Water	3	
Great Value Plastic spoons 48 ct	1	
Dixie Paper Plates 48 ct	1	

4. Graph of online delivery growth projection



5. Income Statement

MU Grocery Delivery					
Income Statement					
For the Semester Ended May 3, 2019					
Fees Earned	\$	2,706.00			
Credit Card Rewards	\$	500.00			
Total Revenue			\$ 3,206.00		
Operating Expenses:					
Credit/Debit Expense	\$	774.90			
Advertising Expense	\$	100.00			
Website Expense	\$	100.00			
Gas Expense	\$	60.00			
Interest Expense	\$	18.56			
Total Operating Expense			\$ 1,053.46		
Net Income			\$ 2,152.54		

6. Balance Sheet

MU Grocery Delivery					
Balance Sheet					
May 3, 2019					
Assets					
Cash	\$	2,152.54			
Total assets			\$ 2,152.54		
Liabilities					
Notes payable	\$	928.00			
Total liabilities			\$ 928.00		
Stockholders' equity					
Retained earnings	\$	1,224.54			
Total stockholders' equity			\$ 1,224.54		
Total liabilities and stockholders equity			\$ 2,152.54		

7. Statement of Cash Flows

MU Grocery Delivery					
Statement of Cash Flows					
Semester Ended May 3, 2019					
Cash flows from operating activities:					
Cash received from customers	\$ 3,206.00				
Cash paid for expenses	\$ (1,053.46)				
Net cash flow from operating activities		\$2,152.54			
Cash flows from financing activities:					
Cash Receipts from Notes Payable	\$ 928.00				
Net cash flows from financing Activities		\$ 928.00			
Net Increase in Cash		\$1,224.54			
January 17, 2019, cash balance		\$ -			
May 3, 2019, cash balance		\$1,224.54			

8. Statement of Stockholders equity

MU Grocery Delivery					
Statement of Stockholders Equity					
Semester Ended May 3, 2019					
			Common Stock	Retained Earnings	Total
Balances, May 1, 2019			\$ -	\$ -	\$ -
Issuance of common stock				\$ -	
Net income			\$ -	\$1,224.54	\$1,224.54
Dividends			\$ -	\$ -	\$ -
Balances, May 3, 2019				\$1,224.54	\$1,224.54

9. Scenario Analysis

	Low Sales	Mid Sales	High Sales
	1005	1230	1455
Low Price 15%		Total Profit: 976.04 Total Cost Per Unit: .86 Profit Per Unit: .79 Break Even Point: 273	
Mid Price 20%	Total Profit: 1299.29 Total Cost Per Unit: .91 Profit Per Unit: 1.29 Break Even Point: 177	Total Profit: 1652.54 Total Cost Per Unit: .86 Profit Per Unit: 1.34 Break Even Point: 177	Total Profit: 2005.79 Total Cost Per Unit: .82 Profit Per Unit: 1.38 Break Even Point: 177
High Price 25%		Total Profit: 2329.04 Total Cost Per Unit: .86 Profit Per Unit: 1.89 Break Even Point: 133	

Low Sales: 67 Per Week

Mid Sales: 82 Per Week

High Sales: 97 Per Week

10. Company shirt



11. Company business cards



12. New flyers



13. Gantt Chart

Month	December			January		
Date	6th-13th	14th-21st	22nd-29th	30th-6th	7th-14th	15th-22nd
Week	1	2	3	4	5	6
Task:		Start	End			
Receive Loan From Sharks	1	6	[Yellow bar]			
Posting on Social Media	1	6	[Blue bar]			
Order Shirts and Business Cards	1	2	[Yellow bar]			
Make Bank Account	2	3		[Blue bar]		
Paying for Website and Custom Domain	4	5			[Yellow bar]	
Update Website	4	6			[Blue bar]	
Putting Up Fliers	5	6			[Yellow bar]	
Cash Back Contest	5	6			[Blue bar]	

14. Twitter Contest

cricket 1:10 PM 98%

Tweet


MU Grocery Delivery
 @MU_Delivery_

Hey #KnightNation were doing our trial run on October 30th! So everyone who retweets this & follows us will be entered in a contest to receive \$5 cash back on your first order. Visit: treymccartney4.wixsite.com/mudelivery to place your orders!



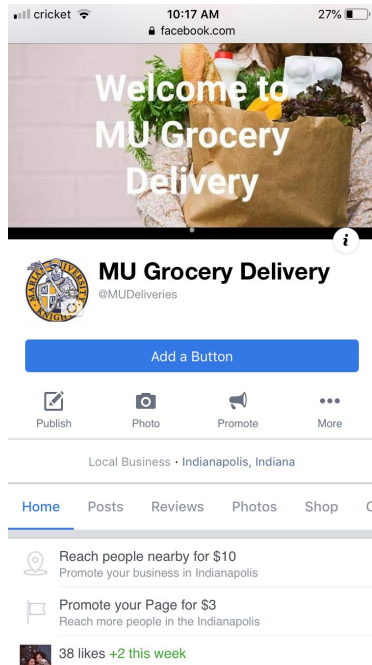
10/26/18, 1:32 PM

View Tweet activity

8 Retweets **4 Likes**

Tweet your reply

15. Facebook page




16. Twitter page



17. Instagram page

cricket 10:11 AM 27%

mu_delivery_ 1

 7 posts 203 followers 617 following

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MU Grocery Delivery
Hello! Just Marian's Grocery Delivery Service here to fulfill your grocery needs. Have any questions? Feel free to DM us. [#AreYouHungry](#)
treymccartney4.wixsite.com/mudelivery
Followed by fishhy_88, marianexchange, banana_blitz + 48 more

