FOODCROC

BUSINESS PLAN

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EXECUTIVE SUMMARY

As an interactive social platform, **"FoodCroc"** will specialize in discovering, searching, sharing and reviewing food and beverages in the Netherlands. **FoodCroc** will provide visitors with ***Crocodilers'*** (**FoodCroc** users') reactions towards any dish, accompanied with authentic pictures of such. Based on personal insights, **FoodCroc** will act as the ultimate guide for tourists visiting the Netherlands and locals alike looking to relish a meal to its fullest. **FoodCroc** will distinguish itself mainly thanks to its customer-oriented and highly-individualistic features. Simultaneously, **FoodCroc** regards itself as the optimal intermediary for restaurants, café, and food stalls/venders in the Netherlands to broaden its appeal to a greater extent.

The market for the Dutch tourism industry was worth approximately €68.3 billion in 2015 and is currently experiencing an annual rise in foreign tourists despite world economic recession (*WTTC, 2015)*. In Dutch, food and beverage sectors turned over nearly €14500 million in 2013 (*Statista, 2016*). Every year, over 10 million foreign tourists visit the Netherlands (*NTBC, 2014).* There are currently more than 1,000 restaurants in Amsterdam (*Amsterdam, 2016)* and 19,000 restaurants noted in Holland (*TripAdvisor, 2016*).

In accordance with these sectors, **FoodCroc**'s success factors lean towards the growth in tourist population (both international and native) as well as Dutch restaurants and coffee shops; the inclination for people to take multiple holidays per annum; and restaurants' enthusiasm in internationalization, among which the first three have already been satisfied. Involving both portal business and the food and beverage industry, **FoodCroc** is not encountering severe competition at the moment, with low barriers to entry, few substitutes, and no suppliers yet considerable bargaining power of buyers. However, **FoodCroc**'s target customers have already get accustomed to similar established businesses, who are enjoying repeat custom and high traffic rates.

For the first three months, **FoodCroc** will focus its activities in Amsterdam, allowing the interactive platform to establish itself in a smaller, more controlled area. Further expansion into the Dutch market is the next step, once the company has grown in popularity throughout the first and second year of business. After the third established year, **FoodCroc** expects to tap into new markets in the European region.

FoodCroc expects a turnover of €456,025 by the first year; €882,500 by the second year and €1,688,250 by the third year, along with 2700, 4900 and 8800 restaurants using the service respectively.

1. INTRODUCTION

When it comes to international traveling, the last thing any tourist or vacationer wants to worry about is where he or she should eat. The ever-growing social society stresses the need to enjoy the most delectable of dishes, which only adds pressure on the traveler. Indeed, it is impossible to taste everything, so websites like Google or Yahoo attempt to help with such troublesome decisions. Unfortunately, these same websites that aim to help tend to confuse users even more. Realizing those special needs, **FoodCroc**, which stands for "Food Crocodile," is a private limited company that specializes in providing online food reviews on selective tastes based on local residents' valued opinions. In addition to providing online food reviews, the interactive social platform of **FoodCroc** aims to search for food, drink, and social establishments with great ease, in order to minimize the common stresses of traveling or simply when making a last minute decision. **FoodCroc** even translates the data poll into an English version for more exposure, to give foreigners the ability to access the website and mobile application (in the future) as well.

1.1 MISSION

- Deliver an authentic traveling experience for **FoodCroc** users
- Integrate into users' everyday life seamlessly and in a hassle-free manner
- Provide a top-grade experience through innovative, personal, and interactive platforms
- Utilize the newest technology to deliver efficient services and long lasting results

1.2 VISION

- Branch off from initial operation to expand to the rest of Netherlands within two years
- Grow into a well-known platform for discovering the latest food and beverage establishments
- Become the Netherland's number 1 service for finding authentic and delicious dishes
- Establish **FoodCroc** as the primary food and beverage search engine globally

1.3 OBJECTIVES

- Become the market leader position in food finding in the Netherlands by the second year of business (holding > 50% market shares)
- Fully penetrate Amsterdam, Rotterdam, Utrecht, and The Hague during the first year, the entire Netherlands by the second year; tap into the German market by the third year
- Maintain good solvency and liquidity in all market conditions
- Reach the following targets in three years of operation

Target	Year 1	Year 2	Year 3
Turnover	456,025	882,000	1,688,250
Contracts with restaurant/food stalls/café	2700	4900	8855
Registrations	500,000	1,500,000	3,000,000
Visitors	800,000	2,000,000	4,000,000

1.4 ORGANIZATIONAL STRUCTURE

FoodCroc will operate as a private limited company, providing shareholders with legal protection yet restricting on ownership. Founded by four partners, the company functions under a limited partnership form. Shares are equally divided on a 25-25-25-25 basis, with each partner holding 25% of the shares. **FoodCroc**'s management board is composed of:

GENERAL EXECUTIVE

Responsible for the big picture: Operations, marketing, strategy, financing, creation of company culture, human resources, compliance with safety regulations, sales, etc.

MARKETING & SALES MANAGER

- In charge of selling the advertising services to the customers and seeking new investments from business angles or venture capital

- Stay in touch with the current customers

- Act as the first contact person if there are any problems

IT MANAGER

- Design the mobile application, website's interface, make seasonal changes when needed

- Responsible for illustrations needed to support marketing activities

FINANCIAL MANAGER

- Summarize, analyze monthly financial data and create financial plans for future operation

- Keep up with informed accounting regulations

The rest of **FoodCroc**'s team consists of:

	Number		**Criteria**
	Full-time (paid)	**Volunteers (un-paid)**	
Year 1	1 IT; 4 Marketing & Sales	10	- Native Dutch and English speakers - 1 year+ experience in relevant division; bachelor degree (full-time employees) - Prefer working experience in Food & Beverage field - Strong negotiation and communication skills, high confidence, result-oriented, great passion for cuisine; prefer food bloggers (volunteers)
Year 2	2 IT; 8 Marketing & Sales	15	
Year 3	3 IT; 12 Marketing & Sales	30	

2. MARKET SITUATION AND DEVELOPMENT

2.1. MARCO-ENVIRONMENT

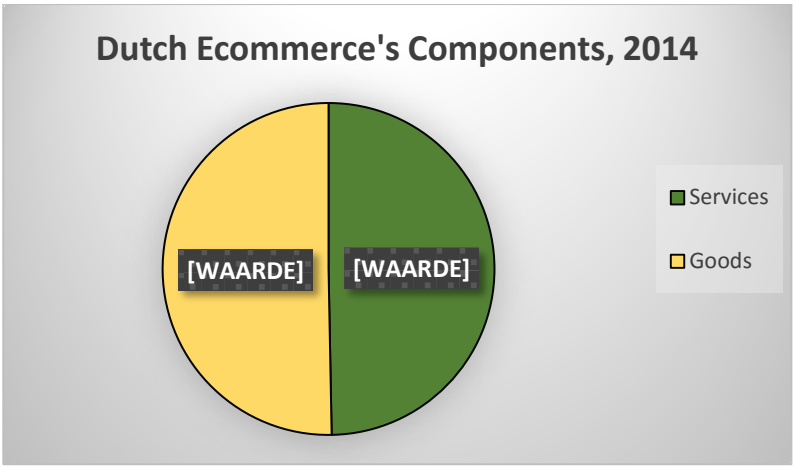
The main points of Netherlands' macro-environment are summed up as follows *(CBS, 2015)*:

POLITICAL	ECONOMIC	SOCIAL	TECHNOLOGICAL
•No major political issues that affect a start-up company at the moment	•The sixth largest economy in the European area •Travel & Tourism contributed €12.5bn (1.9% of total GDP) in 2014; forcasted to rise by 2.7% pa; €68.3 million turnover in 2015 •Food and beverage service activities sector turned over nearly €14500 million in 2013 •More than 14 mil tourists & business travellers (2014)	•Population: 16,909,135 (2015) •13.6 mil use Internet (2014) •12.7 mil are e-shoppers (2014) •Major trends: Ageing population and increasing life expectancy •Main language: Dutch •2nd important language: English •Intensive use of Internet and social media	•Immensely high-tech country •Government's remarkable support for technological advancement

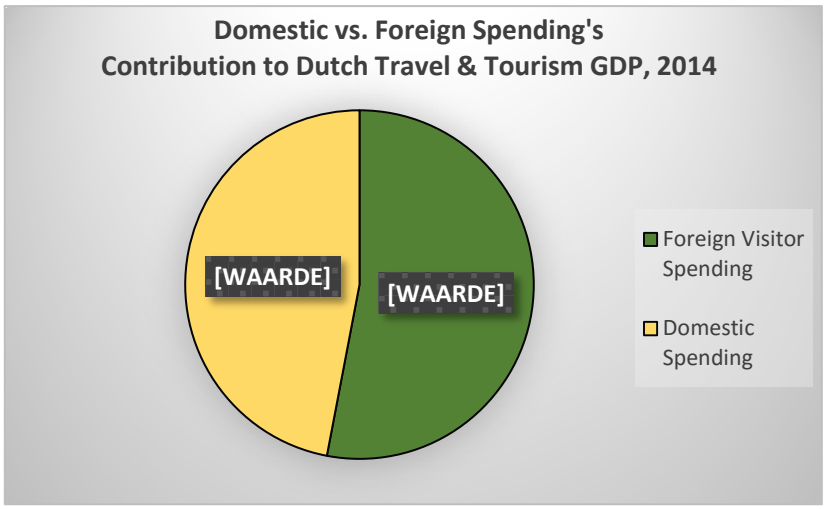
In overall, Dutch macro-environment is favorable for any start-up to establish its business, especially ones that can reap off the fruits of Internet and carve out high-tech standards.

2.2 LINE OF BUSINESS

Arriving with the Internet, e-commerce has reached impressive achievemnts along with numerous, distinct products and services. With more products and services shifting online, e-commerce receives the highest interest ever since it tends to draw more user traffic and brand exposure effortlessly compared to brick-and-mortar or other traditional business models. The Dutch ecommerce industry was worth €13.96 billion in 2014, in which 49.7% related to services. *(Ecommerce Europe, 2014).*



On the other hand, Travel & Tourism has always been among vital economic sectors in the Netherlands. Reflected by active economic activities generated by accommodation; transportation; cultural, sports & recreational services; retail trade; and food & beverage services. Together, the progress of this sector helps rising the direct contribution of the industry to GPD by **1.4%** from 2014 to 2015 and annual rise despite world economic recession. International tourism receipts accounted for 53% of direct Travel & Tourism GDP in 2014 while domestic travel spending made up 47%. (*WTTC, 2015*.) In the four-year span (2010-2014), there are always over **ten million** international visitors coming to Holland, with roughly a 39% growth from 2010 to 2014. Experts anticipated a gradual increase of inbound tourism to Holland mainly thanks to its good natural location (Belgium's and Germany's neighbor), enthralling historical attractions and history, immense development of low-cost flight connections to the Netherlands, advancement in product offerings and considerable marketing activities by different travel organizations. (*NTBC, 2014*.)



According to NTBC (2014), the four major tourism cities in the nation include Amsterdam, Rotterdam, Utrecht and The Hague. Amsterdam, the capital of the Netherlands, has around 2.300.000 inhabitants by 2015. In addition to geographical strengths and thriving tourism industry, Amsterdam has many historical attractions as well as eating and drinking places, and thus is chosen as the first base. Most international tourists came from Germany, the United Kingdom and Belgium. Recently, there have been growing visitors from Japan, China and Brazil, whose citizens are all high tech-aware and frequent Internet users. (*Iamsterdam, 2015*.)

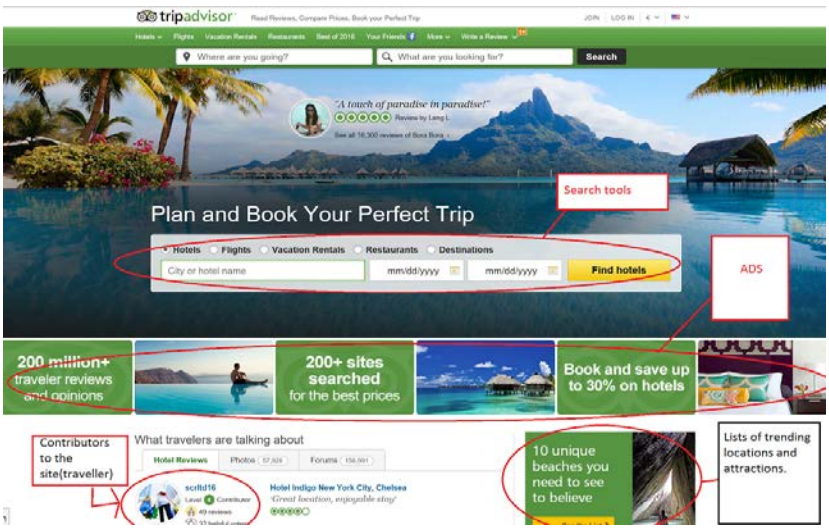
Albeit Dutch cuisine is often characterized by its rather limited native diversity, Dutch food & beverage market in overall is relatively diversified with various types of dishes (indigenous and foreign based) and drinks. Holland is the hub of many ethnicities, whose cultures blend and influence Dutch food. The food and drink market in Holland benefits from its neighbor: German cuisine and French cuisine, which actually form certain most traditional Dutch restaurants. Also, a number of Oriental cuisines are available. Coming to the Netherlands, people can always find intimate, exotic restaurants and café. On the other hand, food and beverage business still thrive thanks to the support from tourism and travelling industry. Although there are many services with the functionality of guiding tourists to areas and their cuisine, they are majorly very broad and provide tourists with the viewpoint of other outsiders. (*NTBC, 2014*.)

2.3. COMPETITION

FoodCroc's indirect competitors include mainly search tools such as Google, Yahoo and Bing. They are prevalent names yet also overwhelmed with indiscriminate and unselective information.

The direct competitors of **FoodCroc** in the Dutch food finding market are **TripAdvisor, IENS** and **Coverts** mainly because of their data poll, history of establishment and development, and public recognition. There are also other companies offering similar services in the Dutch market such as De Buik Vain Rotterdam yet pose inconsequential threats at present due to differences in target segments, operation methods and so forth.

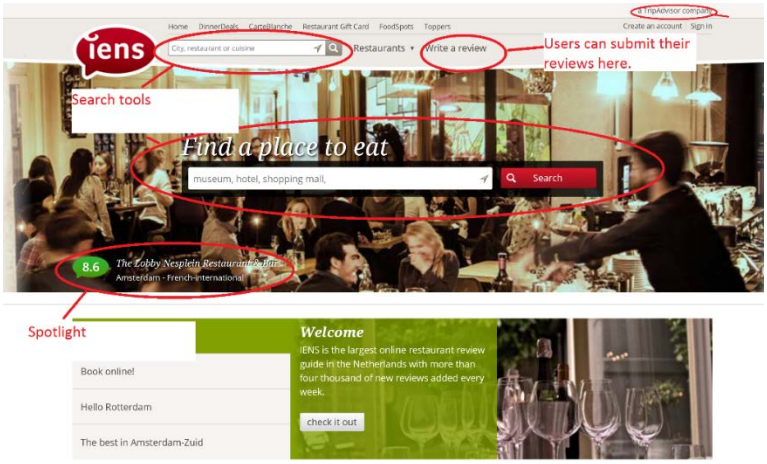
TRIPADVISOR



TripAdvisor is the world's largest travel site that offers insights from other travellers and reviews in different matters of travelling (hotel, location, etc.). Operating in 47 countries worldwide, including Netherlands, it is currently the largest travel community in the world, with 350 million unique monthly visitors, and more than 290 million reviews and opinions covering more than 5.3 million accommodations, 19 million Dutch restaurants and attractions. (*TripAdvisor, 2015*.)

STRENGTHS	WEAKNESSES
- Financial backing - Loyalty of customer - Sales force - Long history - Large market share - Reputation and influential brand awareness - Globalization benefits	- Unreliable reviews-related scandals - More location-related reviews - No clear segmentation of customers and local grips of customers - A specific ranking system

IENS



A TripAdvisor's subsidiary, IENS concentrates on location reviews, providing both international and domestic tourists in the Netherlands with insights about places to eat. IENS inherits considerable fruits from its parent – TripAdvisor. Currently, the site gets 2 million visitors/month and 200.000 reviews/year. (*IENS, 2016*.)

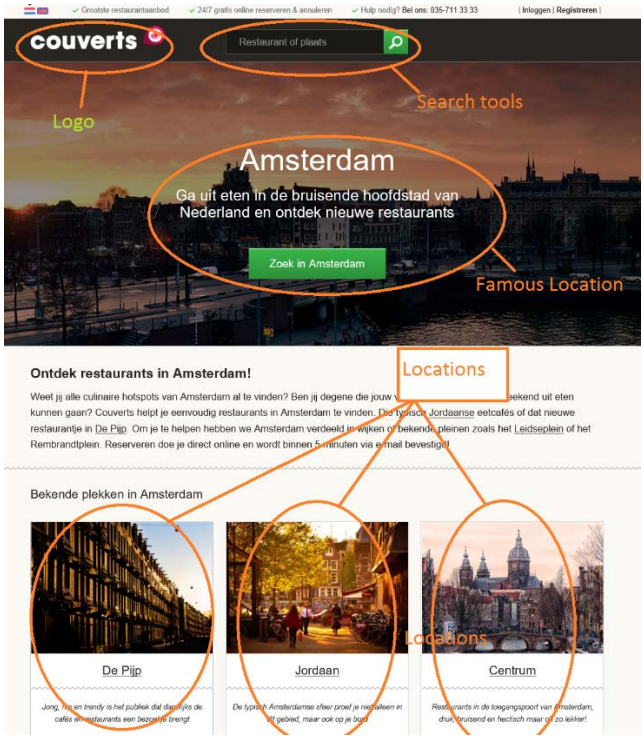
STRENGTHS

- TripAdvisor's inherent
- Loyalty of customer
- Tailored to Dutch markets
- Both English and Dutch interface
- Considerable brand appeal

WEAKNESSES

- Unreliable reviews-related scandals
- More location-related reviews
- Few exchanges between users

COUVERTS



Dutch's restaurants booking and reviewing website, Couverts has great users' poll, many reviews and relatively good history with target customers. (*Couverts, 2015*.)

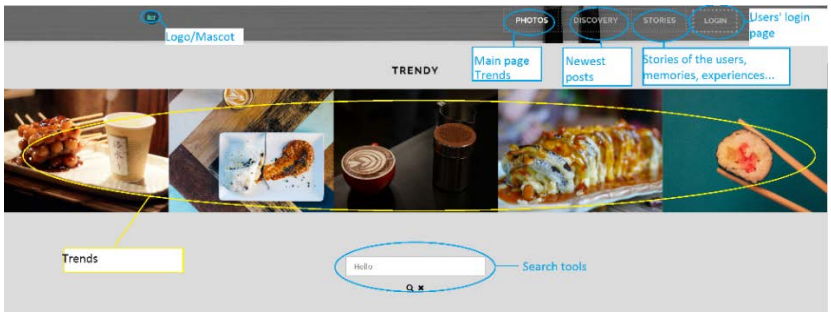
STRENGTHS	WEAKNESSES
- Nice and transparent pictures - Tailored portfolio - Specific guidance of culinary tastes tourists and local residents to certain cities - Large customers' poll - Reputation and long history with target customers - Both English and Dutch interface	- Location-based reviews - A specific ranking system

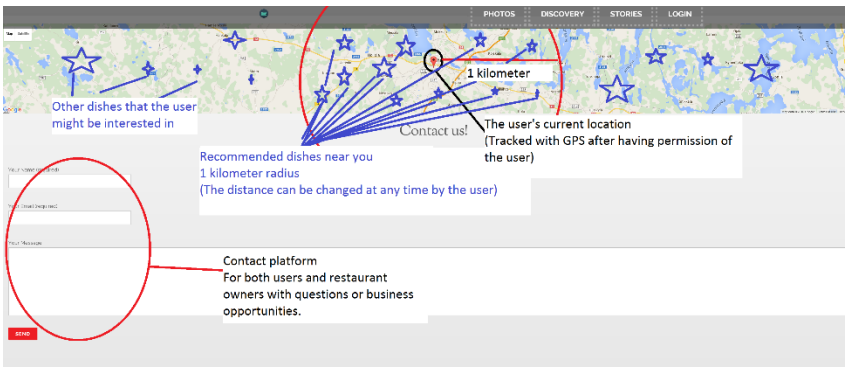
In closing, **FoodCroc**'s rivals emphasize location reviews rather than authentic food and beverage reviews. Similarities in features and purposes may dissipate and drive away potential customers one day.

3. BUSINESS IDEA

3.1 SERVICE DESCRIPTION

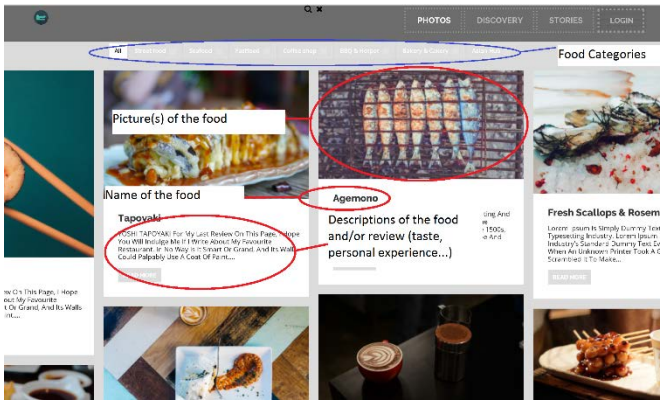
FoodCroc is a social community related to food and beverage tailored to the Dutch and tourists coming to or interested in the Netherlands. This platform allows users to discuss and evaluate the dishes they have eaten with exact addresses of the meal accompanied (using GPS). Other users can share their experiences related to such similar meals in the same address by commenting below the post. **FoodCroc**'s users can also create a culinary collection and share it with others. The main languages used on the website are Dutch and English, with Dutch posts translated by **FoodCroc**'s professional and qualified translators. This feature enables tourists to have some authentic views on what Dutch residents think about or recommend when it comes to dining. The features are as follows:

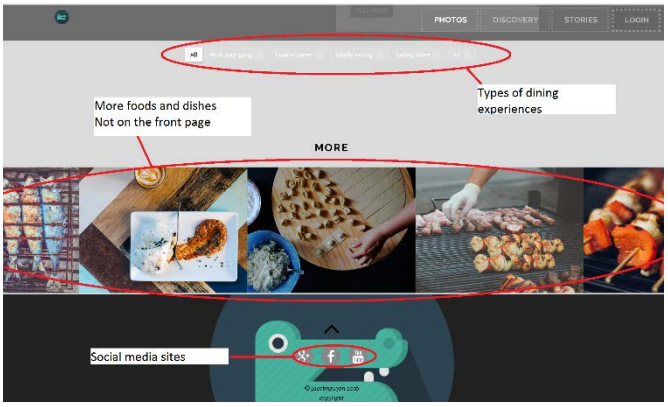


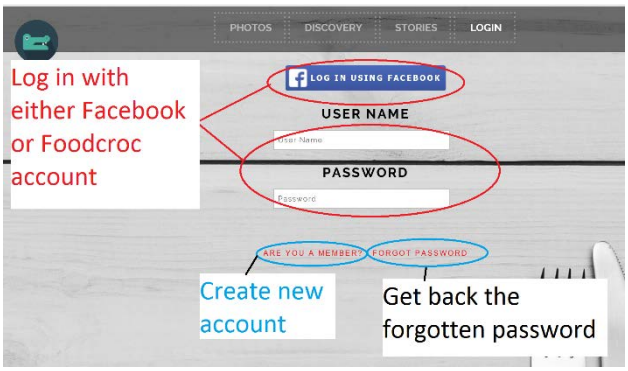


Visitors can type the area they want to dine in, or simply choose it from the map along. The site will ask users for permission to track their locations with GPS. When it's approved, locations of recommended dishes of restaurants within 1 kilometer will appear. They can also search for the type

of dish they want. A wide selection of dishes will appear alongside the restaurants and their locations and ratings.







FoodCroc users can submit their review by logging into their **FoodCroc**/Facebook/Google+… accounts. From there, they can choose to submit a review by selecting "Submit". In this page, users can write their review of the dishes along with pictures of the dishes/experiences. (The users' post will be rated by the community on its truthfulness and helpfulness. Posts of users with higher rating will have a more dominant position on the front page).

With regards to manual searching, **FoodCroc** depends on Google for traffic by banking on Google's SEO tactics and algorithms, allowing the company to remain on top of all food reviewing and recommendation-related search results. The key difference between a registered user and a visitor lies on posting, sharing, commenting and grading.

FoodCroc's experimental interface can be found here: http://foodcroc.com/

3.2. TARGET CUSTOMERS

The potential customers of **FoodCroc** are divided into end consumers and restaurant group, concretely as below:

Criteria	END CONSUMERS		RESTAURANT GROUPS
	Local Residents	**International Visitors**	
Demography	3.5 million residents, Both genders, Aged 15-24	8 millions, Both genders, Aged 18-35	19 million restaurants/cafés/ food stalls/vendors in the Netherlands
Psycho-graphy	People interested in eating and aware of selective choice	People interested in the Netherlands and travelling in general	Ethical; Native; Exotic
Geography	Amsterdam at first (other cities in the Netherlands later)	America, United Kingdom and Europe	Amsterdam at first (the whole Holland later)
Behavior	Frequently dining out	Frequent travelers	

3.3 MODE OF OPERATION

To bring the most selective taste in Holland and the utmost Dutch feeling to customers, **FoodCroc** starts with food reviews and sharing conducted by the staff to trigger public recognition. The posts will be conducted in both English and Dutch. The first target location is Amsterdam, also where **FoodCroc**'s headquarter is located. After the brand awareness is high enough (expected in three months), **FoodCroc** will expand to Rotterdam, Utrecht and The Hague. There will be users

registering and posting in their own choice. Besides users' posts and interaction, **FoodCroc** will have its own selective posts (connected to partnership and advertising purposes).

FoodCroc produces its content in certain ways:

- Users' normal posts: users will post, share their thoughts and grade the food. Other users can also comment and grade the food.

- **FoodCroc**'s own posts: **FoodCroc**'s staff go around the cities, visit the places, try the best dishes or recommended ones in each location and then write a review and post to the website as a normal user.

- **FoodCroc**' Choice: posts based on contracts between the partners and **FoodCroc**. However, **FoodCroc** will selectively choose the partners to avoid misleading information. These posts are put into special headlines of the website and on **FoodCroc**'s owned social media channels.

FoodCroc's revenue model is based on two major streams:

1. **Advertising Package**

   Restaurant groups contact **FoodCroc** for advertising or the staff seek potential customers. The staff will visit the places, assess the dishes, negotiate, sign contracts (if possible), write posts and display the posts on **FoodCroc**'s **Discovery** (pictures are under "Trendy" – main page). Each ad includes information in text, authentic pictures, logos, accompanied links to the official website. Moreover, the ads are published on **FoodCroc**'s Facebook and Instagram for more exposure.

2. **Click-based Advertising**

   Partners pay **FoodCroc** on the basis of number of clicks to their websites via **FoodCroc** in a time period.

After one year of operating, **FoodCroc** will also generate some small profits via advertisements on its mobile app.

3.4 COMPETIVE ADVANTAGE

- **Innovativeness**: relentless efforts for novel concepts and dauntless ideas
- **High Simplicity and Convenience**: friendly interface and minimalistic designs to limit bandwidth usage; appropriate adjustments in presentation through regular updates; easy to use and rapid to search
- **High Individualism with high interaction**: free self-expression and active, open discussion with posts' owners
- **Passion**: complete dedication to the quintessence of local and exotic cuisine

3.5 INTERNAL AND EXTERNAL ANALYSES

STRENGTHS	**WEAKNESSES**
- Great emphasis on cuisine - Easy to access and use - Competitive price - Friendly, appealing interface	- Limited budget for marketing and the whole firm's operation - Limited language skills leading to inefficient communication with vital customers - Young company with little entrepreneurship experience and market knowledge
OPPORTUNITIES	**THREATS**
- A new and exciting channel for Dutch tourism. - A growing market with a significant percentage of the end-customers still unaware of the good local cuisines - Expansion to tourism cities and countries - New restaurants/food stalls/café/etc.	- Increasing costs of personnel, marketing and maintenances - Economic stagnation in Europe discourages restaurant groups to try the service

4. STRATEGIES

With major competitive edges including being the pioneer in the field and giving international experience based on native suggestions, **FoodCroc**'s strategy is drawn out from different angles, which are sketched out as follows:

- **Market segmentation**: **FoodCroc** will conduct nation-wide research over Dutch consumers' geography, demography, psychology, behaviors (needs and wants); create online poll for data accumulation on international travelling groups and forums over eating habits, decisions and searching actions; accumulate the data; make adaptable changes over time depending on global trends in order to focus on certain customer groups (section 3.2)..

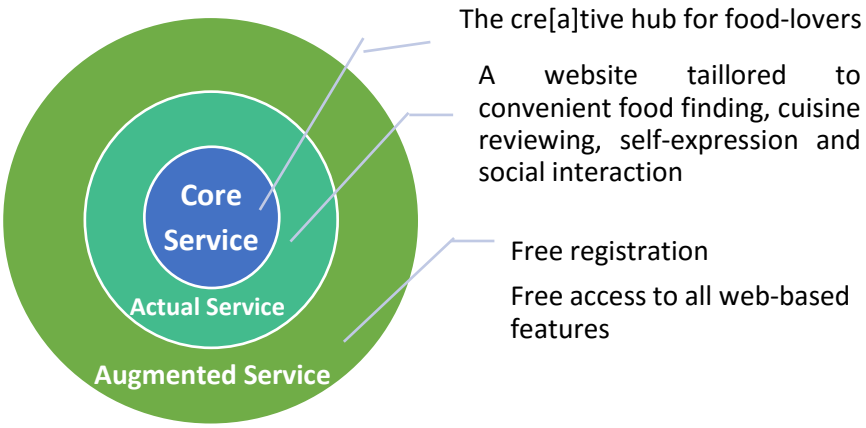
- Differentiation strategies: creating distinctive attributes that set **FoodCroc** apart from the competition (section 3.4)

- Cost leadership: while end-consumers do not have to pay for anything when using website features, restaurants and same-categorized bands only have to purchase the services for most affordable price range. **FoodCroc** will seek angel investors for sponsorship; cut down most personnel cost by employing interns and volunteers; implement intensive research on competitors' partnership fee packages and draw out the most affordable price (section 5).

- Advertisement strategies: focusing on guerrilla marketing by cultivating influential clientele (major food bloggers, national actors, and singers), utilizing viral marketing, including word of mouth, network marketing, creating a buzz, leveraging the media and creating influential short commercial videos

5. MARKETING PLAN

SERVICE



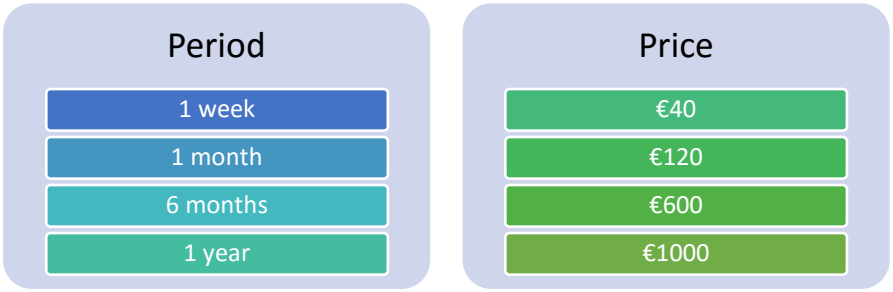
Regarding the core service, **FoodCroc** is creating a cre[a]tive hub for food-lovers all over the world. With **FoodCroc,** users enjoy high simplicity and convenience, unlimited individualism, great interaction and strong devotion to cuisine. With a strong belief that anyone can be a food critic, **FoodCroc** embarks on the journey of constructing a nation just for foodies by accumulating and sharing personalized reviews of different food and beverages available in the Netherlands. **FoodCroc** develops a website and, in the near future, a mobile app allowing convenient food finding, cuisine reviewing, self-expression and social interaction. As added values, **FoodCroc** currently offers free registration with free usage of all web features.

PRICING

FoodCroc operates without asking any end-user to pay for anything. All costs and expenditure are covered by the capital, revenue generated from restaurants/food stalls/café's payment and sponsorship packages (if available). This, on the one hand, instills the values **FoodCroc** strives to bring to users, and on the other hand, drives innovation and differentiation.

Regarding restaurant groups, **FoodCroc** adopts absorption pricing, market-oriented pricing and penetration pricing strategies. **FoodCroc** will first calculate fixed costs to make sure that all

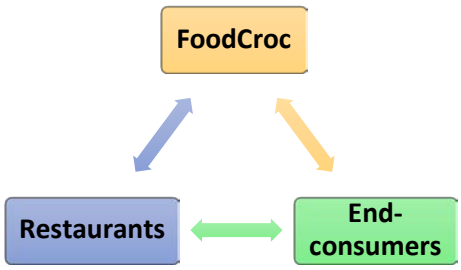
expenditure is covered, then add to the price a certain amount to generate profit. Based on rudimentary research, **FoodCroc** will set the price for 1 dish advertisement accordingly:



These customers will also pay **€5** for every **5000 click** to each registered website via **FoodCroc**.

DISTRIBUTION CHANNELS

FoodCroc's distribution channels will be straight. Restaurant groups will deliver their needs to **FoodCroc**, or **FoodCroc** will find and contact the restaurants for negotiation. The staff will visit the place, assess and make contracting decisions based on the assessment. Additionally, users can see review on the website, write their reviews, comment on others' post and share back to their social network accounts.



MARKETING COMMUNICATIONS

Anchored by its operating philosophy: "Anybody can become a food critic", **FoodCroc** focuses on relationship marketing and cause marketing, establishing and kindling the relationships with customers by sharing the same devotion to cuisine. Word-of-mouth, seasonal, viral, email, event, content and search marketing are carefully addressed. **FoodCroc** will master and utilize Google for the site's search tools. To increase mutual interests, company's values and brand awareness, **FoodCroc** performs its marketing plan with goals for Year 1 as follows:

<table>
<tr><th>Means</th><th>Stage 1
(1-6 months)</th><th>Stage 2
(6-9 months)</th><th>Stage 3
(9 months – 1 year)</th></tr>
<tr><td>Official Website</td><td>* Min. 30 posts/day
* 200,000 registered users</td><td>* Min. 80 posts/ day
* 400,000 registered users</td><td>* Min 150 posts/ day
* 500,000 registered users</td></tr>
<tr><td>Offline Marketing</td><td colspan="3">- Find and go to restaurants, food stalls/vendors, café, food fairs, etc. to introduce FoodCroc and promote the brand
- Invite friends, families, acquaintances to use FoodCroc
- Host a public food expo at the end of year 1
* At least 2000 people participated in the food expo</td></tr>
<tr><td rowspan="2">Facebook</td><td rowspan="2">- Create FoodCroc Page
- Ice-breaking Game: “The Story Behind the Dish” – Facebook users (coming to/dwelling in the Netherlands) share their stories to FoodCroc’s wall with hashtag #foodcroc or send a message to fanpage, then we will post their stories annymously. Whoever with post featured on FoodCroc’s page will receive a free voucher from the sponsors (restaurants/ food</td><td colspan="2">- Link to the mobile application</td></tr>
<tr><td>* Fanpage hits 600,000 likes
* Each post with at least 400 likes, 50 comments</td><td>* Fanpage hits 800,000 likes
* Each post with at least 500 likes, 80 comments</td></tr>
</table>

	stalls/etc.) - Members/Staffs/ Volunteers change avatar into FoodCroc's logo * Fanpage hits 100,000 likes * Each post with at least 100 likes, 30 comments		
	- Both Dutch and English translations - 3+ posts/day about news, hot facts and relevant pictures, tailored written by **FoodCroc** (fall into one of these categories: advertisements for partners, affordable dishes, tips, major events, etc.) - Utilize Dutch-based Facebook groups in chosen cities and international travelling groups - Link to the official website only to spur the growth of customers' poll.		
Instagram	* Follow 1000-2000 users (focus on food bloggers, Dutch target customers, frequent European travelers) * Get 40000 Followers * Get 1000 likes/post * Get official hashtags viral	* Follow 3000 users * Get 100,000 followers * Get 2000 likes/post	* Follow 5000 users * Get 200,000 followers * Get 3000 likes/post
	- Only English descriptions in this template: + Address		

	+ Translated post + Price - Posts are authentically written by staff (content based on partners' requests) - Pictures should be updated at least 2 times/day - Create and utilize the official hashtags to follow customers: *#FoodCroc #Netherlands #(Cityname)food* - Create sales-driven events but with picture-based (e.g. Taking pictures with customized logo of **FoodCroc** and call for likes)
Youtube	- Commericial videos (around 1-3 mins) about the company, the staff, how to use the website, interviews, users' thoughts, etc. - Youtube is updated frequently, but not on any pre-assigned basis. During the 1st year, Youtube is updated roughly twice a month.
Email	If users of the page want to contribute their own posts or rate the posts of other contributors, they need to register accounts with their emails or link in their Facebook (Google+, Pinterest…). Each week, **FoodCroc** editors will collect trending posts, top offers and send it as an email to **FoodCroc** users, shareholders and stakeholders.

SELLING PLAN

With 2700 contracts as the target for the first year, **FoodCroc** proposes the selling plan for the first year accordingly:

Viable Contracts/Year	**2,700**
Tenders/Year	8,100
Total Visits/Year	24,300
Working Days/Year	253
Total Visits/Day	96
Marketing & Sales Staff	16
Visits/Staff/Day	6

Thus, for the first year, **FoodCroc** needs to visit at least 24,300 places to reach the sales target. It is assumed to take about maximum 1 hour to get a contract.

6. IMPLEMENTATION PLAN

	1 - 3 months	3 – 9 months	9 month – 1 year	1 year+
Official Website	→	→	→	→
Social Media Marketing	→	→	→	→
Amsterdam Penetration	→	→	→	→
Rotterdam, The Hague, Utrecht penetration		→	→	→
Mobile App			→	→
Website Ver.2 (appropriate changes)			→	→
Offline Maps & Reviews				→
Online Ordering Intermediary				→

FoodCroc will embark on the journey by developing the official website with stated features (section 3.1). Firstly, **FoodCroc** will start the process of acquiring the **domain name** of **FoodCroc.com**. **FoodCroc** purchases hosting from **Hostgator**. Then the process of designing the site will be executed by the staff. The staff will focus on developing the computer site through **Wordpress HTML-based web designing**. **FoodCroc** will port the site to mobile application development for iOS, Android and Window Phones from the ninth month. Meanwhile, website is constantly maintained and developed. Website and company awareness will also be supported by three social media platforms: Facebook, Instagram and Youtube. **FoodCroc** will launch its services in Amsterdam at the beginning. Initial reviews and sharing will be based upon **FoodCroc**'s marketing and sales staff, who will go around the city to taste different dishes and drinks. **FoodCroc** hopes to get visitors register as frequent users and start sharing/reviewing after the first month of piloting.

From the ninth month, **FoodCroc** will engage in mobile application as a loyalty vehicle. The mobile application will gather most of the website's functions. At the same time, new food and drinks categories will be adjusted according to new trends of eating as time passes by. At the same time, a second version of the website with corrective alterations will be introduced and experimented with.

After one year, **FoodCroc** will stand as an intermediary of the food ordering service by taking orders online via the official website. The orders will then be passed back to the restaurants and the restaurants will be in charge of delivery. Moreover, **FoodCroc** will pilot its offline maps and reviews, which enable users to download maps and reviews when they are connected to the Internet and then to view them offline without roaming charges. The offline mode features reviews of ten dishes in certain location, with a maximum of ten reviews per dish. The trial offline mode lasts one day, and it costs 2 EUR to purchase the complete feature.

7. FINANCIAL PLAN

As a start-up mainly dealing with website bases, the major part in the initial investment is from purchasing business licenses, building the website, buying software, office furniture, and machinery. Thus, **FoodCroc** needs to invest **€2500** in initially to start the business.

Investments	
Business License	307
Website Cost	181.9
Machinery & Equipment	1040
Miscelaneous	600
Total per year	2128.9

However, total expenses in the first year will be **€475,000** (Appendix A). **FoodCroc** requires **€172,000** to establish business, mainly to cover marketing and initial investments along with some travelling and food trials related expenses. The company's founders will contribute **€15,000** each, making a **€60,000** in total capital (paid back in 5 years). **FoodCroc** will also seek monetary contributions from Angel Investors, venture capitals and crowdfunding sites. As a last resort, an additional **€112,000** will borrowed as a long-term debt, with a 6% nominal rate paid in this 3 years in a 46,000-56,000-10,000 basis.

Breakeven	Year 1	Year 2	Year 3
Annual sales	456025	882000	1688250
Annual fixed costs	386492.9	572837.9	890492
Gross profit(%)	100	100	100
Break-even sales	386492.9	572837.9	890492
Sales over Break-even	69532.1	309162.1	797758
Average Payment/Cust	150	180	270
Break-even Point (No. Restaurant)	**2577**	**3182**	**3298**

In order to break even, **FoodCroc** needs to sign an advertising contract with at least **2577** restaurants (Year 1), **3182** restaurants (Year 2), and **3298** restaurants (Year 3), assuming that the average payment per customer is **€150, €180**, **€270** respectively, which are viable numbers when taking into account of the total businesses offering authentic food and beverage in the Netherlands.

FoodCroc's gross profit margin is assumed to be 100% due to the nature of the business (a much lower cost of goods sold compared to selling price). With two main streams of revenues, forcasts for revenue in the three years of operation respectively are: **€456,025**, **€882,000**, **€1,688,250**. It is also projected that **FoodCroc** will not be lucrative initially, with an approximate loss of **€21,000** (Year 1) mostly because of marketing, travelling and food trials expenses. However, it is anticipated to generate a profit of nearly **€62,000** (Year 2); **€390,000** (Year 3). (Appendix A)

8. RISKS

Identified Risk	Mitigation Plan
Loss of partnership with key customers – restaurants	- Restructure the contract to establish a win-win relationship
- Saturation or decline of current market due to unreachable goals - Inability to reach target number of customers	- Broaden the target customer segments (e.g. New age group) - Tap into new markets (e.g. Maastricht, Utrecht)

	- Reinforce loyalty rewards programs to encourage customer loyalty - Redefine long-term goals and objectives
Skeptical attitudes towards reviews for commercial purposes	- Carefully select customers for advertising contracts - Reinforce loyalty rewards programs to encourage customer loyalty - Develop a long-term mentality to preserve the brand
Terrorist attacks that may dampen the travel and tourism sector's growth	- Cooperate with major travel and tourism agencies and create tailored marketing campaigns that spur the growth of tourism
Strong Dutch food and beverage ordering companies embark on experiments with the same services	- Reinforce loyalty rewards programs to encourage customer loyalty - New marketing campaigns that stress FoodCroc as the first

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APPENDIX

A. Income Statement

Revenues	Year 1	Year 2	Year 3
Restaurant's registration	377400	735000	1328250
Click-based	78625	147000	360000
Total revenue	**456025**	**882000**	**1688250**
Cost of goods sold	0	0	0
Gross profit	456025	882000	1688250
Gross margin (%)	100	100	100
Expenses			
Wages	234000	408000	642000
Telecoms and IT	181.9	425.9	549
Travelling & Food Trial	100000	180000	215000
Insurance	9720	15120	21660
Interest	6720	3960	600
Social Security	72891	127092	199983
Marketing	50200	65260	85340
Miscellaneous	600	600	600
Total expense	**474312.9**	**800457.9**	**1165732**

	Year 1	Year 2	Year 3
EBITDA	**456025**	**882000**	**1688250**
Depreciation	52	210	340
EBIT	**455973**	**881790**	**1687910**
Investment income	0	0	0
Operating profit	-18339.9	81332.1	522178
Operating margin (%)	100	100	100
Interest	2300	2800	500
Profit before tax	**-20639.9**	**78532.1**	**521678**
PBT margin(%)	-4.526	8.904	30.901
Cumulative PBT	-20639.9	78532.1	521678
Tax	0	15706.42	130419.5
Profit after tax	**-20639.9**	**62825.68**	**391258.5**
PAT margin (%)	-4.526045721	7.123092971	23.17538872
Cumulative PAT	-20639.9	62825.68	391258.5

B. Cash Flow Statement

	Year 1	Year 2	Year 3
Profit after tax	-20639.9	62825.68	391258.5
Depreciation	52	60	90
Operating cash flow	-20587.9	62885.68	391348.5
Change in working capital			
Change in stocks (increase=-)	0	0	0
Change in debtors (increase=-)	0	0	0
Change in creditors (increase=+)	0	0	0
Net change (increase = -)	0	0	0
Cash flow from operations (=Sales receipts less expense payments)	**-20587.9**	**62885.68**	**391348.5**

Capital expenditures	Year 1	Year 2	Year 3
Building and works	307	0	0
Equipment	1040	4200	6800
Vehicles	0	0	0
Total	**1347**	**4200**	**6800**
Cash flow pre-financing	-21934.9	58685.68	384548.5
Financing	0	0	0
Mortgage taken on property	0	0	0
Share capital paid in	60000	60000	60000
Cash surplus for year	38065.1	118685.68	444548.5
Cash surplus (Cum)	38065.1	118685.68	444548.5

C. Balance Sheet Statement

	Year 1	Year 2	Year 3
Current assets			
Stocks	0	0	0
Debtors(=accounts receivable)	0	0	0
Other (deposits, prepaid, etc...)	5012	6965.42	34127.5
Cash in Bank	85360.1	112936.78	591916.18
Total	**90372.1**	**119902.2**	**626043.68**
Capital assets			
Net fixed assets at start year	1040	4200	6800
Depreciation during year	52	210	340
Net fixed assets at end year	988	3990	6460
Other (e.g. investments, intangibles)	4000	4000	12000
Total Capital Assets	4988	7990	18460
TOTAL ASSETS	**95360.1**	**127892.2**	**644503.68**

	Year 1	Year 2	Year 3
Current liabilities			
Creditors (=account payable)	0	0	0
Provision for taxation	0	15706.42	130419.5
Short-term loans due in 12 months	0	0	0
Total	**0**	**15706.42**	**130419.5**
Long-term liabilities			
Long-term debt	56000	10000	0
Pension obligations	0	0	0
Total	**56000**	**10000**	**0**
Owner equity			
Share capital paid up	60000	60000	60000
P&L A/C b/f	0	-20639.9	62825.68
P&L this year	-20639.9	62825.68	391258.5
Total	**39360.1**	**102185.78**	**514084.18**
TOTAL LIABILITIES	**95360.1**	**127892.2**	**644503.68**