

Sarah Louise Krawcheck
PLAN326: Social Ventures
Oasis Business Plan
April 27, 2017

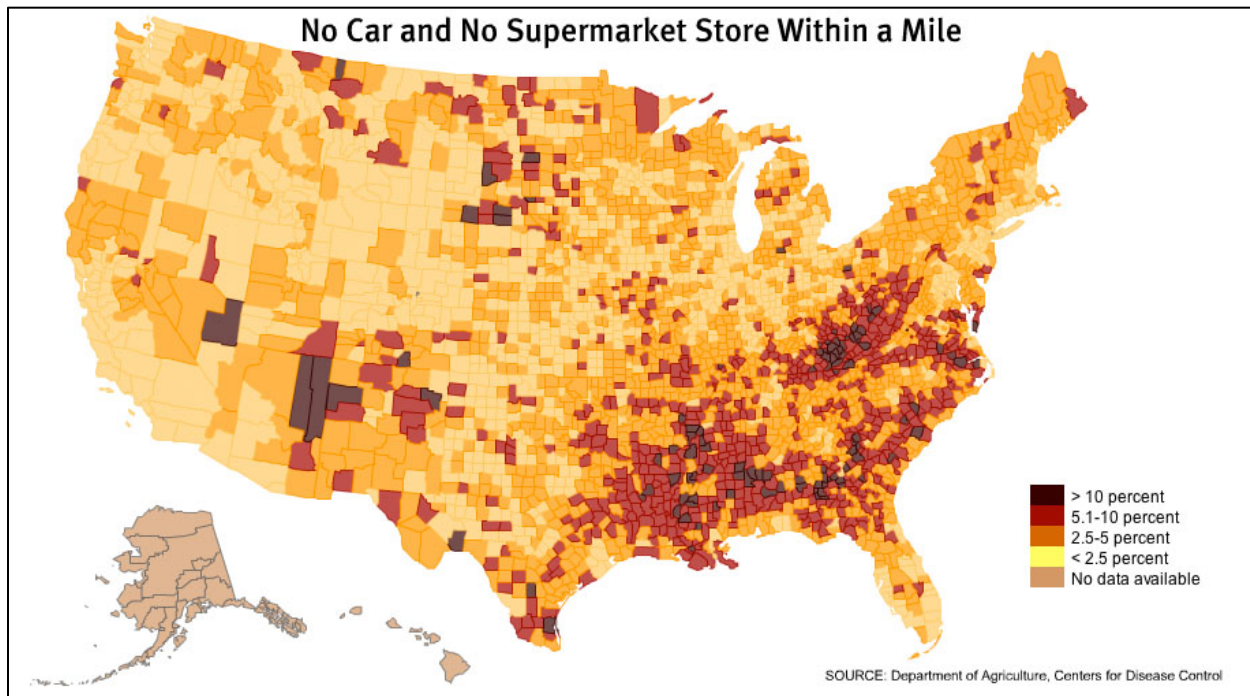
Oasis: Community Garden based Meal Delivery

A new take on the issue of urban food deserts in the United States



Executive Summary

Problem: Individuals living in the United States' urban food deserts do not have a reliable vendor for healthful, whole foods. Residents of these areas live more than a mile from a grocery store and do not have a reliable mode of transportation. For these reasons, residents are forced to rely on fast food restaurants and local quickie marts in order to feed their families, which predominately stock highly processed and sugar-laden foods. This sort of unbalanced diet can lead to obesity and other nutrition related illnesses later on.



Solution: Oasis is a new kind of meal delivery service that caters to residents of urban food deserts. The meals will be created from produce grown in Oasis's on-site community gardens. Members will pay an overhead fee for meal delivery service, or a smaller fee for on-site pick up (special carrying cases will be provided for those who do not have cars). Members will be encouraged to volunteer on-site for coupon-like benefits, and employees will only be hired from directly within the community.

What Oasis Sells

- **Weekly Meal Plans:** members can choose from a variety of different meal plans that best suit their preferences and family size. Monthly membership fees will be decided upon later.
- **Community Garden Plots:** private garden plots will be sold for cultivation. Owners can use the produce for themselves, or sell it to Oasis for use in the meal plans.
- **Prepared Meals On-Site:** meals that are offered in the weekly plans will be available for purchase and sampling on-site. Smaller products can also be made in the prepping kitchen and sold for profit in the garden/event area (i.e. smoothies, salads, guacamole).

- **Event Space for Rent:** on-site community area will be rented out to organizations for events.
- **Cooking Classes:** fees will be charged for attendance to cooking and nutritional classes in the prepping kitchen and event space.

Market: the primary market segment for Oasis’ pilot project will be residents of the Peoplestown, Atlanta, GA food desert. Oasis’ ideal customer would be an upper-20s mother/father trying to improve the health of her/his family. Basic competition in this area will include—

- Grocery stores in the community;
- Meal delivery services (i.e. Blue Apron, HelloFresh).

Why Us?

Oasis offers a more convenient people way for residents of food deserts to get access to healthful, whole foods. By using fresh produce from the on-site community garden to develop the meals for delivery, members of the community will enjoy increased access to green space as well as greater community involvement through volunteering opportunities. Oasis offers members a way to expand their culinary knowledge, learn valuable skills, and take their personal health into their own hands.



Definition of Plan

Problem: No meal delivery service caters to residents of food deserts directly, and none creates meals from ingredients and produce solely grown on-site. In addition, the meal delivery service provides a perfect opportunity to overcome these residents transportation obstacle and have meals delivered to them directly.

Food deserts are areas where access to affordable, healthful fruits and vegetables is limited or non-existent because more residents live more than a mile from a grocery store and/or do not own a car. People living in deserts are forced to get meals from local “quickie” marts or fast food restaurants, which carry highly fat-laden, sugary, and processed foods.¹

Urban and suburban food oases are characterized by a plethora of food options, accessible transportation, and connected community cultures. Over the last half century, as urban and suburban communities began to develop, large businesses flocked to them in search of the larger profits. This left the less fortunate residents of food deserts with “2.5 times the exposure to fast food restaurants as those living in the wealthiest areas” as big grocers left the market and smaller, more economical convenience stores with a small variety of products took their place.²



¹ United States Department of Agriculture Economic Research Service. *Access to Affordable and Nutritious Food: Measuring and Understanding Food Deserts and Their Consequences*. United States Department of Agriculture, 2009. Web.

² Curry, Andrew. “Bringing Healthy Far to Big-City ‘Food Deserts.’” *Diabetes Forecast*, 2009. Web.

Food deserts also act as an anti-social mobility device since they are “more prevalent in non-white neighborhoods” with higher poverty rates.³ While suburban residents enjoy ever-rising standards of living, many outlets for purchasing healthful foods, and a strong and interconnected community, they receive all these benefits at the expense of those who are worst off.

Wealthy urban and suburban residents are currently benefitting from the cultural “health-food” upswing that has recently taken over the United States, allowing for businesses like Whole Foods to flourish, and for veganic and organic restaurants to flood the market. However, the effect of this cultural change does not trickle down, and the poorest people in our society are largely ignored despite the fact that their health risks are ever on the rise.

Our Solution: our market has several important needs that we will strive to meet...

- Quality meals for purchase at several, affordable price points;
- Various styles and choices for meals that vary each week;
- Culinary classes to improve cooking skills and nutritional knowledge;
- Friendly personal relationships between employees and customers;
- Opportunity to grow and sell personal produce in the community garden for profit.

Target Market: the bulk of Oasis’s customers will come from young families in United States urban food deserts. The goal of the venture is the increase the economic capacity of these individuals. With personal growth for our consumers, we expect to see higher returns for Oasis, as well.

The neighborhood of Peoplestown, Atlanta is classified of on of the sprawling metropolis’ 35 marked food deserts. There are nearly 2 million Georgia residents living within food deserts, and 500,000 of these individuals are children. These individuals often live more than a mile from a grocery store and do not have access to a reliable form of transportation to get to the store/efficiently get their groceries home.

Although called a “food desert,” these areas may be more accurately referred to as swamps. This is because even though there is a lack of healthful foods in the area, members have quite a few unhealthy fast food options to choose between, which leads to health issues later on. In fact, according to a 2011 Food Trust geographic study of income, access to grocery stores, and morbidity rates, “people who live in metro Atlanta food deserts are more likely to die from nutrition-related sicknesses like diabetes and heart disease” when compared to other Atlanta residents.⁴

³ Yeh, Ming-Chen and David L Katz. “Food, Nutrition, and the Health of Urban Populations.” In *Cities and the Health of the Public*, 2006. Web.

⁴ Burns, Rebecca. “Stranded in Atlanta’s Food Deserts.” *The Atlanta Magazine*, 2014. Web.

Although the cost of packaged, processed foods sold at local quickie marts and fast food restaurants might be lower than the costs of obtaining healthy, whole foods for residents of food deserts in the short term, there are a lot of hidden costs associated with this behavior (example: health costs, lack of energy).

Recently, a number of farms and gardens have shot up within parts of metropolitan Atlanta, but most export their produce to other parts of the city. When these farms have tried to sell their produce to the surrounding populations, most have been met with substantial “socioeconomic, cultural, and racial barriers.”⁵ This is because many residents of food deserts saw these organic farming initiatives as nothing more than land-grabbing efforts by the middle class, which underscores the need for communication and co-operation in future Atlanta farming enterprises. In addition, many of the gardening ventures charge an average of \$25.00 weekly for membership, which is not economical for a Georgia resident on food stamps who is confined to a meager \$34.00 per week.⁶

Industry Analysis: *Online Meal Delivery Services*



The meal delivery service industry offers people a new and convenient way of looking at grocery shopping. With deliveries, customers no longer have to think about meal planning and trekking directly to brick-and-mortar stores. Instead, fresh food and easily understandable recipes are sent right to peoples’ doors. The delicious meals that the meal delivery service creates and sends to customers is

⁵ Cities and Urban Decay. “Atlanta’s Food Deserts Leave its Poorest Citizens Stranded and Struggling to Survive.” *The Guardian*, 2014. Web.

⁶ Cities and Urban Decay.

meant to expand their culinary cache and make them feel like accomplished chefs every time they come in the kitchen.

Industry Success Factors

- Active management of production costs;
- Active management of supplier relationships;
- Ability to attract new customers without high acquisition costs.

Barriers to Entry

- Effectively reaching out to prospective customers;
- Formulating positive partnerships with the target community;
- Choosing a nutrient-rich area for garden cultivation;
- Ability to provide services at a low and fair price.

Competition

Current Alternatives:

- Two small grocery stores (Family Food Mart, McGruder Grocery);
- Meal delivery services (i.e. Blue Apron, HelloFresh).



Our Advantages

Our strongest competitor would be a more traditional food delivery service like Blue Apron or HelloFresh that has wider consumer base and higher fees. Since our target market is different from the broader—or, in some cases, niche (i.e. vegan, paleo)—market that other meal delivery businesses serve, and meals will be prepared with produce on site, Oasis will be able to keep membership fees lower.

Oasis meal delivery for individuals without reliable modes of transportation is a much more convenient grocery option than local quickie marts. Especially when these meal deliveries come with a greater variety of fresh foods for a lower price than the small grocery stores and quickie marts in the area. Since Oasis will not have a brick-and-mortar store, both production and overhead costs will be kept low, with most building costs concentrating around greenhouse/aquaponics technology and a food prepping area.

Strategic Alliances:

- Plant and seedling suppliers (donations);
- AeroFarms aquaponics partnership;
- The Fertile Crescent Steering Committee (donations);
- Community leaders and local schools.

Execution

Marketing & Sales

Marketing Plan

Overview: our marketing strategy seeks to optimize our advantage of locally-grown meal deliveries. We want residents of Oasis's pilot project in Peoplestown, GA to see us as their primary food supplier. By becoming an important part of the daily lives of our customers, we seek to ever improve the Oasis experience and continually personalize it to the members. Customers can depend on us for healthy, correctly portioned, and delicious meals given to them in the most convenient way possible.

Positioning: at Oasis, convenience is the most important aspect of the value proposition, as access to healthy food should be provided for all members of society. Whether you live in an urban food desert or in a New York City high rise, you should have an equal opportunity to get healthy foods. This does not mean that people will eat these healthier meals, but it does give them the opportunity to choose to do so.

Promotion: for the pilot project, our marketing techniques will be implemented only on the local scale. The success or pitfalls of the pilot project in Peoplestown will be then used to market the value of the business to garner funding for new stores in other urban food deserts. The following are the marketing strategies that will be used during the pilot project—

- **Social media:** social media accounts will be used to market Oasis's product offerings, as well as drive people to our informational website. Social media is a quick and easy way to directly reach out to members of our target market in the community. Communication should be quick and personalized, as customer experience should be held to the highest of standards.
- **School letters to parents:** since Oasis's direct target market segment is young families with children, partnering with local schools to send letters or emails home to parents will be a good way to attract these young families. The letters should offer coupons or other benefits that should attract parents to the informational site, and possibly convince them to become members.
- **Advertisements at local businesses:** paper advertisements should be posted in front of local businesses, or shared with business owners for more formal promotion.
- **Informational website:** Oasis's content site will be used as a marketing medium. With information about the business and opportunities to try free meals, residents of Peoplestown will be encouraged to get more involved. We hope that our customers will regularly access our website for the valuable information that we will provide, which will reinforce awareness of Oasis, and drive customer acquisition.

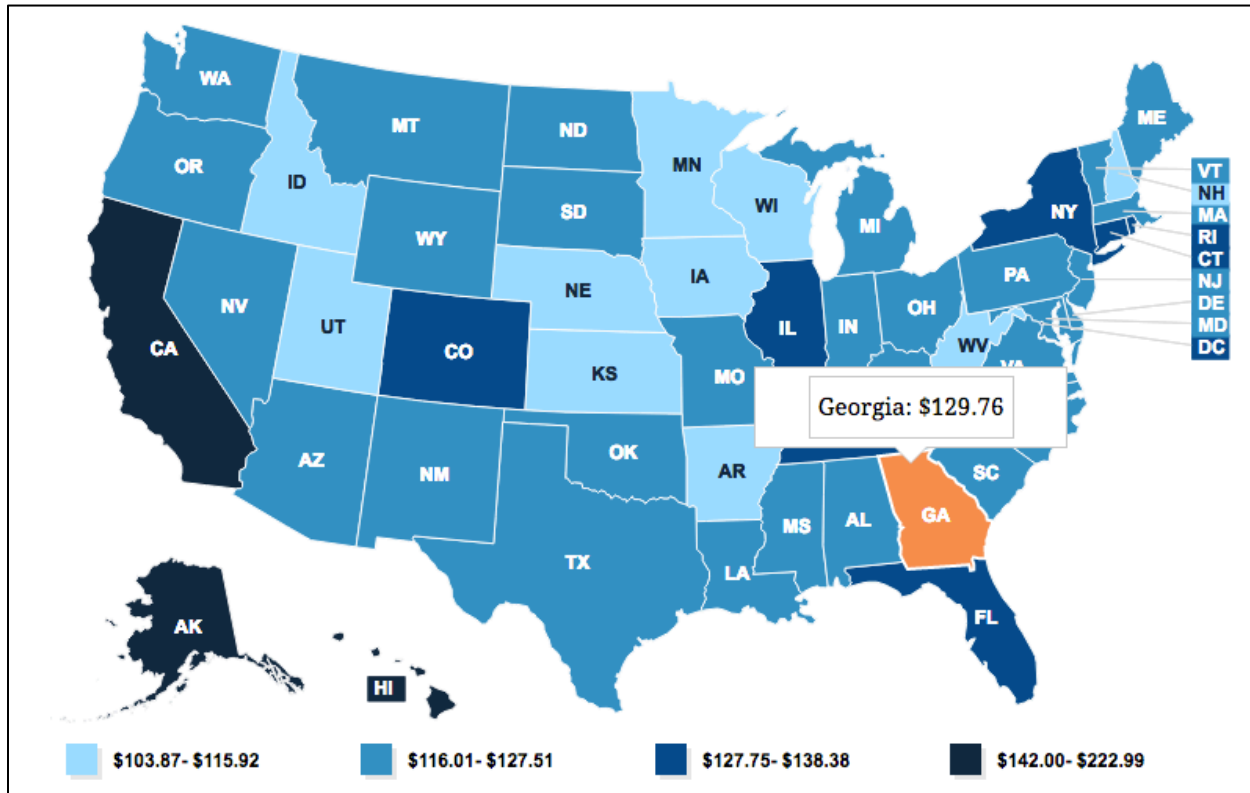
Sales Plan

Our sales channels include: Oasis will sell fresh produce with preparation instructions directly to customers from the prepping kitchen or direct delivery. Members can pay for these services online, and other customers can also use the informational website to sign up for events held on-site or purchase single meals for pick-up.

Retail Pricing: Meals for delivery will not be marked up more than around 30% in order to keep membership fees low for prospective clients. Since the goal of Oasis is to expand access to healthful, whole foods, high profits will not be our main concern. However, prices will need to be high enough to cover overhead costs and further garden development.

Members can choose how many meals they would like to receive from Oasis every week. The maximum number of meals that Oasis will package and prepare weekly is five lunches and five dinners. All of these meals will be prepared using produce from the community garden, greenhouse, and aquaponics structures located on-site.

Average Monthly Food Stamp Benefits per Person (via the Kaiser Family Foundation)



Prices will be correlated to the average food stamp benefits per the state where Oasis is located. Since the monthly food stamp benefits given to an average Georgia resident comes to \$129.76, the maximum price for five lunches and five dinners will not exceed \$129.00 per month. Members can choose to pay in a number of installment plans, or completely upfront.

Service: in addition to basic meal delivery, we will also offer a number of services on-site and online. Most of these services will come at a fee, but some (mostly online), will be offered to the general public for free in an effort to drive cheap customer acquisition. Here are some examples—

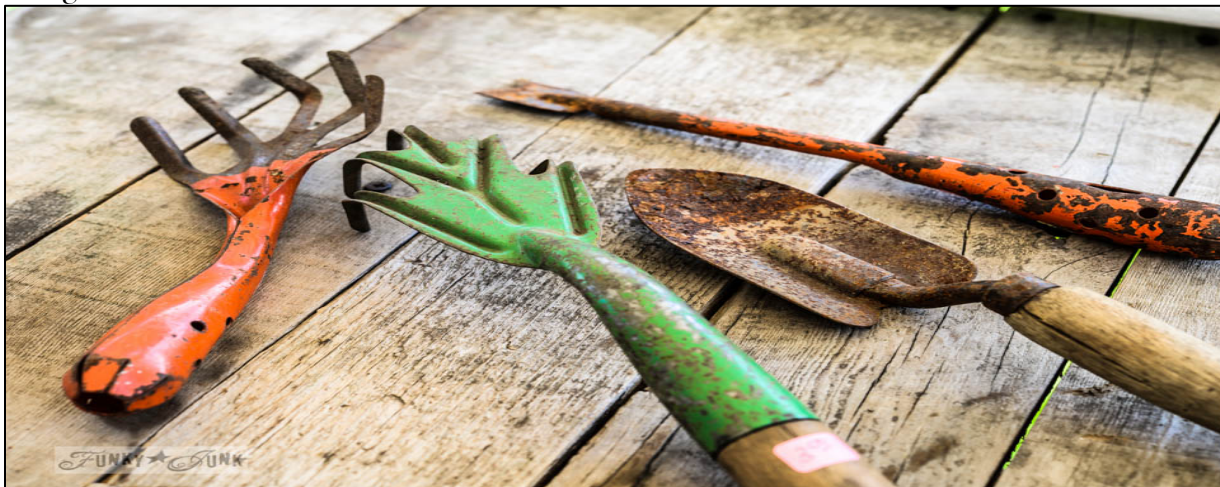
- Ticket Sales for On-Site Events - \$10.00
- Ticket Sales for Cooking Classes - \$20.00
- Renting Out Community Space - \$300.00
- Meal Samples – Free (online)
- Purchase of Garden Plots - \$100.00
- Admission to Volunteering Days – Free (online)

Operations

Locations & Facilities: Oasis’s pilot project will be located in Peoplestown, Atlanta, GA in a centralized location. Most of the land will be developed for the community garden, green house, and aquaponics structures, but a community gathering space and prepping kitchen are included as well. Oasis should be located at the most accessible point for residents of the Peoplestown community so that it will be convenient for them to come to the garden directly, and so that delivery costs for meals will remain low.

Technology: Oasis’s website and social media profiles will be the highest technology needed during the initial start-up portion of the venture. One of the most important parts of Oasis’s marketing strategy is to drive potential customers to a well organized, informational website. Deliveries will also need to be tracked using an online system, unless most meals are picked up on-site or are delivered directly by Oasis personnel.

Equipment & Tools: gardening tools will be needed for active cultivation of the produce. The greatest equipment costs will come from the installation of the AeroFarms aquaponics structures; however, these are necessary to produce the yield needed to feed Peoplestown residents year round. Cooking and food preparation tools will be needed for the prepping kitchen, as well as refrigerator and areas for food storage.



Milestones & Metrics

Timeline

Year 0 (once initial funds of \$100,000 are raised)	Development of the Garden Site
January	Find and clear site for garden Set up utilities Create informational website and social media Reach out to community members
February - May	Break ground on construction of garden and site Build greenhouse and aquaponics structures Reach out to seedling/plant suppliers
June - July	Construction should be completed Start planting and cultivating early seedlings Hire employees from the direct community
August	Start developing meals for weekly deliveries Design a portable bag for meal pickup Hold informational sessions on-site Advertise volunteering events in the garden
Year 1	Beginning of Meal Delivery Service
March – August	Kick-start the normal meal delivery service Get customer feedback to improve experience
September	Reach out to schools for gardening days Continue hiring employees from community

Key Metrics

Empowering customers to live healthy lives is one of the main focal points for Oasis. Due to the local focus of the enterprise, its success will be evaluated based on its ability to bring community members together and support local, healthful agriculture. Although there is seasonality involved with community gardens, the implementation of aquaponics structures and a greenhouse will allow produce to grow year round. By focusing on customer retention, Oasis will look directly to its clients when it needs to hire new employees or wants to learn about how to improve the business.

Risks & Exit Plan

There are many risks associated with agricultural ventures, including food safety, pricey production, maintenance of FDA compliance, or problems with recalls. For these reasons and many more, it is important to have an exit plan just in case Oasis loses its ability to pay overheads and ensure timely meal

deliveries for its clients. The owners of Oasis will exit the venture after it has proved its profitability and could be sold off and/or has given a good enough example for success that the business could be replicated in other urban food deserts in the United States. It is the owner's intention to run this business until it is profitable, pivoting whenever new and important feedback is received from customers, partners, and investors.

In the event that Oasis's proposed plan is not successful, another exit strategy will be implemented in order for owners and investors to exit the business with as little personal damage as possible. First, all equipment and merchandise will be sold in an attempt to pay off any outstanding debts. Any debts remaining after these initial payments should be paid off entirely by the owners at a monthly rate.

The definition of "successful" will revolve around whether or not Oasis can support itself and pay overheads. In addition, since the venture is chiefly focused on customer experience, customer support will also be a very important metric of business success. Here are some basic measurements of company success:

- Delivering at least 100 meals to families in the community per month.
- At least 50% of participants meet pre-established health goals:
 - Decreases in BMI or weight calculations;
 - Increases in amounts of food or vegetables eaten;
 - Generalized feelings of satisfaction with the venture;
- At least 20 community members are employed by end of first year.
- 10 local schools host volunteer days in the community garden.



Company success will be monitored monthly throughout the first five years of the business. If the business is unable to achieve profitability after these five years, then the business will be considered unsuccessful. The owners are aware that it does take some time for start-ups to turn a profit, and for a socially minded business like Oasis, profits are not the most important aspect of the venture. This

forecasted low level of profitability will be taken into account when evaluations of the business are performed, and small adjustments/pivots will be made monthly to best ensure a positive cash flow.

Company

Overview

Oasis will be a Limited Liability Corporation, independently owned by Sarah Louise Krawcheck (CEO). The management team will be hired from outside the Peoplestown community, with a CTO, CFO, and CMO. This management team will be hired based on their focus on Oasis's mission and will be given an opportunity to become equal owners of the venture.

General employees (gardeners, meal preparers, delivery drivers, etc.) will be hired entirely from within the community where the Oasis is located. For the pilot project, this will be Peoplestown, Atlanta, GA. Each member of the management team should focus on building up the employees that the pilot project will hire.

Once the project has achieved profitability, current employees who have proved their dedication to the business, as well as developed the necessary skills to take on more responsibility, will be promoted to management for the Peoplestown location. From there on out, monthly updates should be sent to the larger management team, but the venture should be able to continue without much regular corporate interference. This will free up Oasis management to look to expand to other locations in food deserts across the country.

Hirable Positions

Management Team

- Chief Technical Officer (CTO);
- Chief Marketing Officer (CMO);
- Chief Financial Officer (CFO).

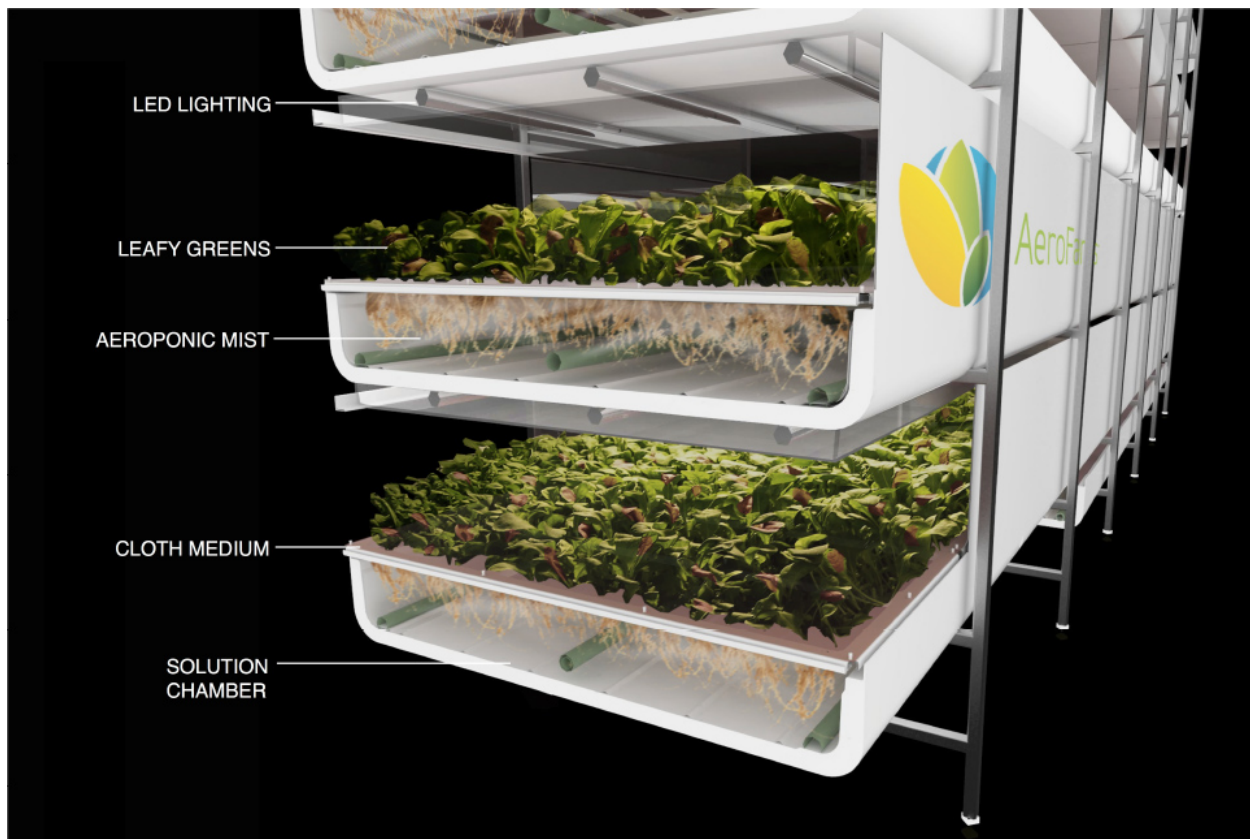
General Employment

- Construction Workers;
- Meal Preparers;
- Delivery Drivers;
- Teachers for Cooking Classes/Events;
- Gardeners.

Partners & Resources (all pending)

David Rosenberg: Co-Founder of AeroFarms

David Rosenberg started the aquaponics venture AeroFarms with the intention of bringing healthy eating back to the urban United States. The vertical farming structures that AeroFarms uses to produce mostly leafy vegetables without any sunlight, soil, or pesticides. Using patented technology, AeroFarms gives the perfect amount of resources and nutrients to their plants' roots in a controlled environment that works year round.



Seed Savers Exchange: Herman's Garden Seed Donation Program

The venture provides seed donations for community and educational groups that will freely share their harvests for those in need. Free donation of seeds will keep the supplier relations nearly non-existent, and will provide for low production costs besides cultivation of produce.

Fertile Crescent Steering Committee

The goal of the committee, which is located in southwest metro Atlanta, is to improve access to healthy and local food in urban food deserts. The Committee provides funding to farming initiatives in this area because it believes that mobilizing individuals to create community gardens is a key element of their goal of increasing access to healthful, whole foods.

Financial Plan

Forecast: sales should remain relatively steady throughout the year, as Oasis’s aquaponics and greenhouse structures will keep it growing produce year long. Winter will be the slowest month in terms of foot traffic, however, as less outside farming will be required. For this reason, sales of tickets for on-site events and cooking classes should be sold more during the winter months. During the summer, volunteering in the garden and corresponding reduction in membership fees will be the norm.

Financing

Use of Funds: we will need around \$100,000 in venture capital to successful set up the Oasis site with an expansive community garden, an event space, a prepping kitchen, and aquaponics and greenhouse structures. The rest of this money will be used for basic advertising and community outreach to attract customers to the garden.

Sources of Funds:

- Crowdfunding Campaign;
- Ticket Sales to Information Events/Cooking Classes;
- Funding from the Fertile Crescent Steering Committee;
- Membership fees.

Projected Profit & Loss (year 0-4)

Net Revenues	\$105,000	\$61,000	\$70,000	\$82,000	\$95,000
Crowdfunding	\$40,000	\$20,000	\$10,000	\$5,000	\$0
Donations	\$60,000	\$20,000	\$10,000	\$5,000	\$0
Ticket Sales	\$3,000	\$6,000	\$10,000	\$12,000	\$15,000
Membership Fees	\$2,000	\$20,000	\$40,000	\$60,000	\$80,000
Cost of Goods Sold	\$5,000	\$10,000	\$15,000	\$20,000	\$35,000
Gross Profit	\$100,000	\$41,000	\$55,000	\$62,000	\$60,000
Operating Expenses	\$80,000	\$20,000	\$24,000	\$30,000	\$42,000
Land Development	\$65,000	\$2,000	\$2,000	\$2,000	\$2,000
Salaries & Benefits	\$10,000	\$15,000	\$20,000	\$25,000	\$35,000
Selling Expenses	\$3,000	\$2,000	\$1,000	\$2,000	\$2,000
Administrative Expenses	\$2,000	\$1,000	\$1,000	\$1,000	\$3,000
EBITDA	\$20,000	\$21,000	\$31,000	\$32,000	\$18,000