ForkLyft Project Report

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1. Stakeholders

The major stakeholders in our target ecosystem are:

1. Grocers & Restaurants: We can potentially target anyone looking to limit food waste, donate excess food, or receive tax benefits including but not limited to Dining Halls, Grocery stores, farmers markets, and restaurants
2. Food Collectors and Redistributors: This group is currently very cluttered with various players, but all with similar charitable goals. There are Food Banks which collect and store food; churches, charitable organizations, schools, and government programs which distribute food, and house projects with many food insecure members.
3. Food Insecure Individuals: There is a high percentage of West Philly residents who do not know where their next meal is coming from. Their current issue is that they cannot regularly afford food from Food Sellers (e.g. grocery stores, restaurants) and have variable food needs that cannot be serviced properly by charity organizations in the status quo.

There are additional players as well such as the Government, which gives out food stamps and offers assistance through programs like SNAP (Supplemental Nutrition Assistance Program), Penn and other local West Philly organizations.

1. Market Opportunity

The United States is plagued by the inefficiencies of the food market. Excess food is too often thrown away in a country where millions are food insecure. A few quick facts that we felt displays the gravity and tragedy of this reality:

* 40% of food produced in the US is thrown out every year
* 25% of children in Philadelphia are food insecure

Not only is the disposal of food a failure from a moral perspective, it’s also extremely costly. It’s estimated that 12% of restaurants’ food costs are thrown away before they ever reach the customer ([source](https://refed.org/downloads/Restaurant_Guide_Web.pdf)). They must pay waste management in order to get rid of this waste.

Thus, we are looking to connect restaurants, grocery stores, and other food sources with donation centers. By creating a platform where food sources can list their extra food and donation centers can put out requests, we can create an easy way for food sources to consider donations rather than disposals.

By donating rather than disposing, the food sources not only save money from reducing waste management costs, they also can then use the donations as a monetary benefit in the form of tax deductions at the end of the year. We can keep track of all donations so they are able to do that.

Further, by using the data we can analyze a food source’s waste habits to give them insight into their food patterns and make better ordering decisions in the future.

1. Customer Segments
2. Restaurants
3. Grocery Stores
4. Cafeterias
5. Market Segment Size & Opportunity

The underlying market is driven by the disparity between food production and consumption. As this is uniquely a donation facilitating app, we ideally would like to *decrease* the size of that “market”. However, no matter how successful this venture is, the issue will always persist. It is therefore simpler to identify consider the potential customer bases on both the donation and reception sides of our donation marketplace.

Today the 300 million citizens, and 600,000 restaurants in the United States waste over 40% of food produced. To put this in context, this amount of food waste equates to 108 billion pounds, 130 billion meals, and $408 billion dollars down the drain annually. Clearly this is a highly inefficient use of both economic and natural resources, especially given that 38 million Americans are food insecure. The problem is exacerbated in cities, where the wealth gap also translates into a food security crisis.

On the other side of the market, there are efforts being made nationally by food banks, government subsidies, and volunteer organizations to collect and serve food to those who most need it. There are an estimated 60,000 food shelters/soup kitchens in America alone, not even to mention many of the 300,000+ churches that serve similar functions.

The market for potential users on both sides of our platform is massive and relatively untapped. We also believe that recent trends and habits normalized by new technologies, companies and COVID make right now a prime opportunity to launch this app. For example, coming out of the pandemic, people are much more comfortable with using food delivery services, and even partaking in the on-demand gig economy. Additionally, mobile phone penetration (97%) is consistently increasing, and with it the familiarity of downloading, using and frequenting mobile apps. We feel that the market timing for an on demand food donation service is prime.

1. Competition

Throughout our research, we’ve come across 3 companies that would compete with us. Here’s each company with a brief overview of where they are vulnerable/how we differentiate from them:

[Too Good To Go](https://toogoodtogo.org/en/)

* Food is not free and thus does not address the same pain point for donation centers

[Goodr](https://goodr.co/)

* Doesn’t operate in this geography
* Focuses on extremely large clients for sourcing food, while we are focusing on SMBs

[FoodConnect](https://www.foodconnectgroup.org/)

* No focus on creating value for food donators (ie. Platform is not designed to help companies keep track for tax deductions)
* Very little traction

1. IP

No plans for IP

The value in our app lies in business model innovation rather than novel technology

1. Cost

Our major recurring costs are as follows:

1. Maintaining the platform
   1. Updating features
   2. Paying for AWS database storage
2. Marketing/Sales
   1. Acquiring new customers through a dedicated sales team and marketing
3. Revenue Model

As a donation-based SaaS company, we lie in a unique spot with a number of options for revenue collection. We would envision beginning to incur revenue streams after the initial phase of customer acquisition and at a certain level of adoption in the market. Potential options include:

1. Subscription fees
   1. In return for helping restaurants appropriately discard food, and save money on taxes we could charge a monthly/ annual fixed fee
   2. We would likely have a tiered pricing structure based on how much tax money we help save, or the size of the company
2. One-time Add ons
   1. Once the core features of the app are fully functional there may be room to charge on-top for special services like promoting/ featuring a company’s food request/offering within the app, helping with phyical food logistics/ delivery, or even analyzing data to help customers optimize their processes.
3. Advertising
   1. Another option would be to sell advertising space on the website and/or app in the banners, side panels etc.
   2. This would likely only be fruitful with significant volume, as per-view ad rates are quite low
4. Data
   1. We will be collecting interesting data regarding the waste habits of restaurants and needs of food shelters
   2. There would be opportunities to sell this data to interested parties, or conduct our own data analysis to come up with insights into food waste and tangible fixeas