

**UNIVERSIDAD ESAN**



Peruvian-oriental culinary business plan proposal

**In collaboration with:**



MSc in **Entrepreneurship & Innovation**  
EDHEC Business School – Lille, France

**Thesis presented in partial satisfaction of the requirements to obtain the  
degree of Magíster en Administración by:**

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**Master Program at ESAN: MBA**

**October 21<sup>th</sup>, 2020**

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This thesis

“Peruvian-oriental culinary business plan proposal”

Has been approved

A handwritten signature in black ink, appearing to read 'Diego Cueto Saco', written over a light gray grid background.

---

Diego Cueto Saco

(Jury)

## **Dedictory**

I dedicate this work to all the people who trusted in me and supported me throughout this journey, for their patience and their constant encouragement to fulfill this new goal in my life.

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## I. Executive summary

The world is constantly changing and with it, the lifestyles of consumers. As these changes take place, new lifestyles are born causing business models to adapt and innovate. In this new context, there are consumers that highly care about their health, the quality product they consume, future consequences of their diet and have high expectations of their preferable food companies. Wok & Well was born from this new lifestyle and customer mindset, providing a culinary service aimed to keep a healthier life without leaving out customer's tastes and customs.

Wok & Well offers Peruvian-Oriental fusion food in wok and emphasizes on providing more beneficial and high quality options, as well as giving our customers 100% free will on what to eat and how to eat it from a pool of healthy ingredients followed by 4 simple steps.

We chose to innovate and favor our customer's peculiar tastes because we are customer centered. Our solution is a food truck concept that not only allows us to be closer to the customer, learn about their tastes to offer the best personalized service, but to reduce competitive prices and focus entirely on the quality of our products to ensure the welfare of our customers which is our core business driver.

Our business model focuses on two main channels: San Isidro district (the business center of the city of Lima) which concentrates the highest business activities and 60% of the sales; and food events and festivals on weekends, and corporate events with companies, municipalities, etc.

Moreover, we are a multidisciplinary team from different countries that share the love for food as it is a very important part of our cultures, which guarantees the commitment we will have with the business and its success.

Taking into account everything that is needed for the creation of the company such as investment, operation permits, qualified personnel, inputs required, the capacity of negotiation with suppliers, customers, competition, opportunities and threats, expenses and incomes, we concluded that the business is totally viable. There will be an initial investment of 100,000 soles which will be completely funded by friends and family.

## II. Introduction

### a. General Objective

The general objective of this work study is to identify the implementation feasibility of a healthy wok food truck in the city of Lima, Peru.

### b. Specifics objectives

- To identify the prospective market and adapt to its necessities and setbacks.
- To create a strategy to enter the market.

- To prepare the operating processes for the implementation of the business.
- To prepare the financial feasibility for the project's implementation.
- To create and validate the business-related indicators.
- To determine the project's feasibility.

### **c. Justifications**

On the grounds that Peru holds a society that highly consumes creole food, the concept of healthy food is known for being tasteless or connected to salads for people that want to lose weight. This information is sustained in the 2017 publication of the World Health Organization (WHO), in which indicates that the consumption of processed food has increased in 265% across the country. Likewise, the National Institute of Statistics and Informatics (INEI) published in 2019 some alarming numbers regarding the population's health: 37.8% of the population between the ages of 15 and more were diagnosed with obesity countrywide; and 41.1% of the population of the same age range have had high cardiovascular risk.

Moreover, the INEI has stated that the Peruvian population lacks vegetable and fruit consumption: 11.3% of the population above 15 years old have consumed at least 5 portions of fruit and/or vegetables in a week period. These results have caused the government to enact laws to promote children and teenager's healthy nourishment (Law 30021) and the implementation of octagonal food labels to alert consumers on the nutritional value of daily products.

This favourable context opens the possibility to look for more healthy food alternatives, in which I consider serves as a leverage for a different food option that is tasteful. Opposite to the commonly known as oriental food offered by Chinese food restaurants or *Chifas* in Peru, the oriental culture (Japanese, Korean, Vietnamese, etc.) includes a lot of vegetables and fruits as part of their daily diet.

This high consumption of vegetables, as well as the culinary benefits that wok cooking offers as an ancient cutlery of the Asian cuisine, represents the opportunity of a healthier concept as it is the Peruvian-oriental food.

#### **d. Scopes and limitations**

This business plan is currently found in the city of Lima, Peru, and was conducted in Europe and Latin America before the COVID-19 pandemic.

Whereof the following information considers the historic information gathered prior to the health crisis and does not take into account the political and economic effects provided by the government as extraordinary measures.

#### **e. Contribution**

Why bet for a food business? When we started our master's program, many well-experienced entrepreneurs highlighted that we should start a business on

something we are passionate about, that made us concluded that we love food. We are a group of international students from Peru, China and India and for us and our cultures, food is a pillar. We come from places where making food for others represent an act of dedication and contribution to people's well-being.

Therefore, we decided that one major contribution to our societies, particularly the Peruvian one, would be breaking down that paradigm of "healthy food tastes bad". Taking advantage of the ancient wok cooking, we leant more towards the fusion of two of the greatest cuisines in the world, Peruvian and Oriental, to create tasty dishes without losing the nutritional value of the ingredients and to ensure the health of our diners.

### III. Company Description

#### **a. Mission Statement**

Our mission is to deliver dishes that are tasty and healthy at the same time.

#### **b. Tagline**

Healthy fusion street, where customers create and we sauté.

#### **c. Product and services**

Wok & Well is a high quality fast food truck that seeks to offer a variety of Peruvian-oriental dishes that are healthy, affordable and tailored to the customer's

tastes. On weekdays, we are based in San Isidro district, also known as the major financial center of the city, and on weekends, we join public and private events such as food events, corporate events, and others.

Our main difference relies on our 100% tailored services because our customers can create their own dishes to fit their various tastes. At Wok & Well, our customers are part of our business base, for their selections and suggestions allow us to continuously innovate our ingredients to deliver more of a healthy and tasty and less of a repetitive and boring food.

These are the main benefits of using a food truck for this business model:

- Less investment than for a restaurant, approximately 50% less.
- New concepts can be easily tested.
- Easier portability provides more flexibility to the business.
- By democratizing the food, it will allow accessible prices to reach more people.

#### **d. Main pillars**



Variety of dishes that meets all types of customer's life practices (including vegetarians and vegans)



Our customer's health is our priority that is why we use high quality ingredients in a clean and sanitary cooking environment.



We are eco-friendly and practice honest food to contribute to the world and our communities.

#### **e. Current Status**

Wok & Well is a project in process that has reached the following milestones:

- Feasibility analysis, prospect survey and two focus group completed.
- Business plan completed.
- Three members of the management team at the site.
- Creation of the menu and required ingredients is ready.
- Business branding and social networking is ready.
- List of suppliers with contact details and quotes has been completed.

#### **f. Funding**

As you can see in the Business Plan, the management team are planning a 100,000 capital investment.

#### **g. Legal Status and Ownership**

The company is a close limited liability company comprised of the founding shareholders as main investors.

#### IV. Team



**Genny San Juan**

Role: CEO / CMO

Competence: Marketing, Finance, Sells

Experience: Banking and family and personal business

Why are you interesting in food? In my family and my culture the food is the way to share with people



**Li Long**

Role: Operation Executive / COO Competence: Operation analysis/Marketing analysis

Experience: Digital Marketing



Why are you interesting in food?: Passionate with food and different culture exchange



**Raghav Singla**

Role: Financial Executive/CFO

Competence: Finance, Operations

Experience: Multiple experiences in MNC's in finance and operations fields

Why are you interesting in food: Big market, emotionally attached to cultures and food.

V. Business Concept

**a. Customer problem**

- Customers are more concerned on their personal health and how their eating habits impact their daily life.
- Customers have less access to fast healthy food, particularly because of the cost-benefit.
- Customers do not consider healthy any low-cost oriental food not even complemented by a good service and clean products.
- Customers do not have much time to eat and prefer reliable places.

## **b. Solution**

- Deliver food options that are close to daily life places and accessible.
- Tailored dishes to provide a diverse offer and fit for customer's taste.
- Show transparency on the food preparation to get the customer's approval on the preparation process.

## **c. Service to deliver**

Wok & Well service is provided on a food truck. Main benefits for customers are:

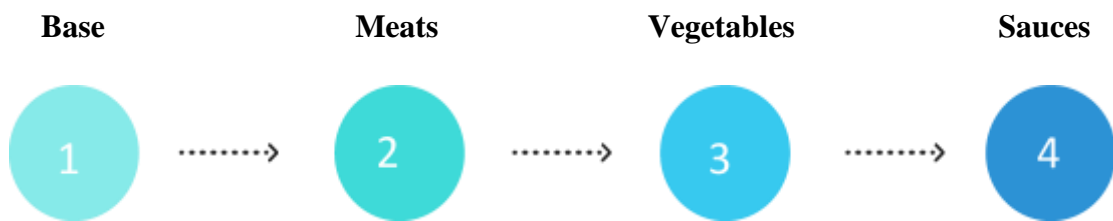
- Tasty healthy food, accessible and affordable.
- Chef's recommendations and special recipes to provide a unique food experience.
- We bring healthy food closer to the customer.
- The ingredients are of the highest quality and preparation environment follows specific sanitary standards visible to the customer.

In order to adapt to the customer's taste, Wok & Well offers two types of services:

- i. Tailored dishes:

Our customers can create a total new dish that fits their taste. This can be done following four simple steps and choosing out of a pool of carbohydrates, proteins and vegetables.

Steps to create your order are as follows: firstly select a base which can be different types of rice or noodles (carbohydrates); secondly select a type of meat or vegetarian option (protein); thirdly select the vegetables and other complements(vegetables); lastly select a sauce. The final price is the sum of all the ingredients added.



ii. Menu dishes:

For those customers that are more traditional and prefer well known combinations, we offer three of the most famous and delicious dishes: Lomo Saltado (with rice), Tallarín Saltado (with noodles) and Chaufa de pollo (Oriental-Peruvian fried rice).

In this sense, we can also offer better price options as detailed in the Price Strategy section.

#### d. Value proposition

Provide a culinary proposal of high-quality fast food by offering Peruvian-oriental fusion dishes fit for the customer's taste with healthy and accessible products.

#### e. Objectives



Long Term:

Become a renowned franchise in Peru with offshore opportunities across Latin America.



Short term:

2021: To position the brand in San Isidro district and small food events, to optimize the business model and its operations

2022: To purchase one extra food trucks, to position the brand in other major districts and massive food events

## VI. Industry Analysis

Based on our research, we gathered the following facts of the Peruvian food industry:

- According to INEI, the production rate on accommodations and restaurants registered an increase of 4.60% for 2019, due to the drive of outdoor food services. (INEI, 2019)
- Since the new food industry tendency is focusing on healthy food, there is a need to open more restaurants for this market.
- According to the study by Nielsen, 42% of Peruvian people eat out at least once a week because of their lifestyle. Peru is considered one of the countries that its people eat out the most across Latin America. There is a tendency that most sales come from lunch hours, then dinner and lastly breakfast. (Nielsen, 2016)

The food truck market is well consolidated in many parts of the world, including Europe, USA and some countries in Latin America such as Chile and Argentina.

Here are some facts about this market around the world:

**a. Europe and USA:**

- In 2012, when the food trucks started to become popular, it was a \$650 million industry. In 2017, by contrast, food trucks are projected to be a \$2.7 billion industry. Growth in the food truck sector is outpacing growth in the brick-and-mortar restaurant sector by 1.1%. (White, 2017)

- Chains such as Starbucks, Chick-Fil-A, Cousins Subs, and White Castle have all been experimenting with food trucks as a way to bring their brands to the customers instead of trying to get the customers to come to them. (White, 2017)

**b. Latin America and Peru**

- Food trucks popularity boomed when huge food festivals appeared in Latin America. Nowadays the most famous ones are Masticar in Buenos Aires, Alimentarte in Bogotá, and Mistura in Lima.
- In 2015, 5 renown food trucks founded the Food Truck Association in Peru with the objective of creating agreements with municipalities and companies for the sake of food trucks. There are more than 50 food trucks registered to the association at present.

VII. Background Analysis (Macro and micro environment):

**a. Macro environment: PESTEL**

i. Political and legal aspects:

The food market's policies have been very stable and well promoted for its development and globalization.

In relation to tax policies, food businesses and micro-business entrepreneurs have found support in the new Unique Simplified Regime (RUS) or special regime.

In the food market, most local businesses are informal, that is why the government has been giving various facilities for these businesses to become formal, from tax benefits to the development of programs to guide and facilitate the creation of business under the legal framework.

ii. Economic aspects:

According to the Reserve Central Bank (BCR), the country's growth rate has been constant until 2019, which has allowed to position Peru among the countries with the highest growth in Latin America.

According to the Peruvian Society of Gastronomy, the food market represents the 10% of the country's GDP and generates more than 45 thousand million soles annually. Due to this "gastronomic boom", it is considered a strong and potential growing industry.

iii. Social aspects:

The Peruvian culture is strongly bonded to food. Due to the Chinese, Japanese and Spanish migration, the Peruvian cuisine has such a variety of flavours influenced by so many countries.

The population's food consumption moved by the new tendency of a healthier diet, has raised awareness on the use of more quality and less chemical products.

iv. Technological aspects:

The new tendencies of online shopping and the use of social network, as well as of new applications to buy all kinds of food, have widely open the possibility to sell through new channels.

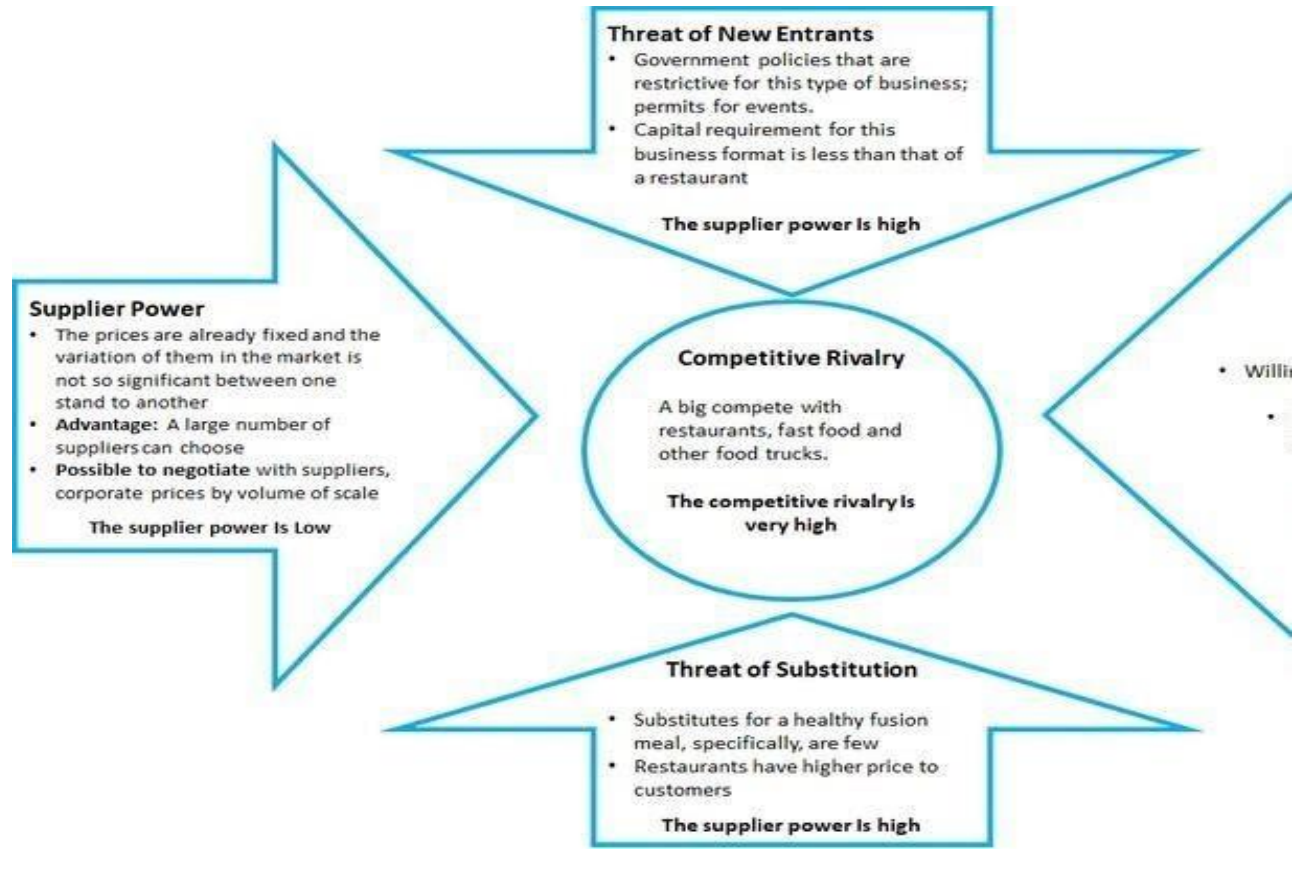
v. Environmental aspects:

The awareness raising on environmental problems has allowed companies to use products of less impact to the environment as part of their operations. Such is the case that in the food industry, companies have started to include biodegradable packaging and the use organic products.

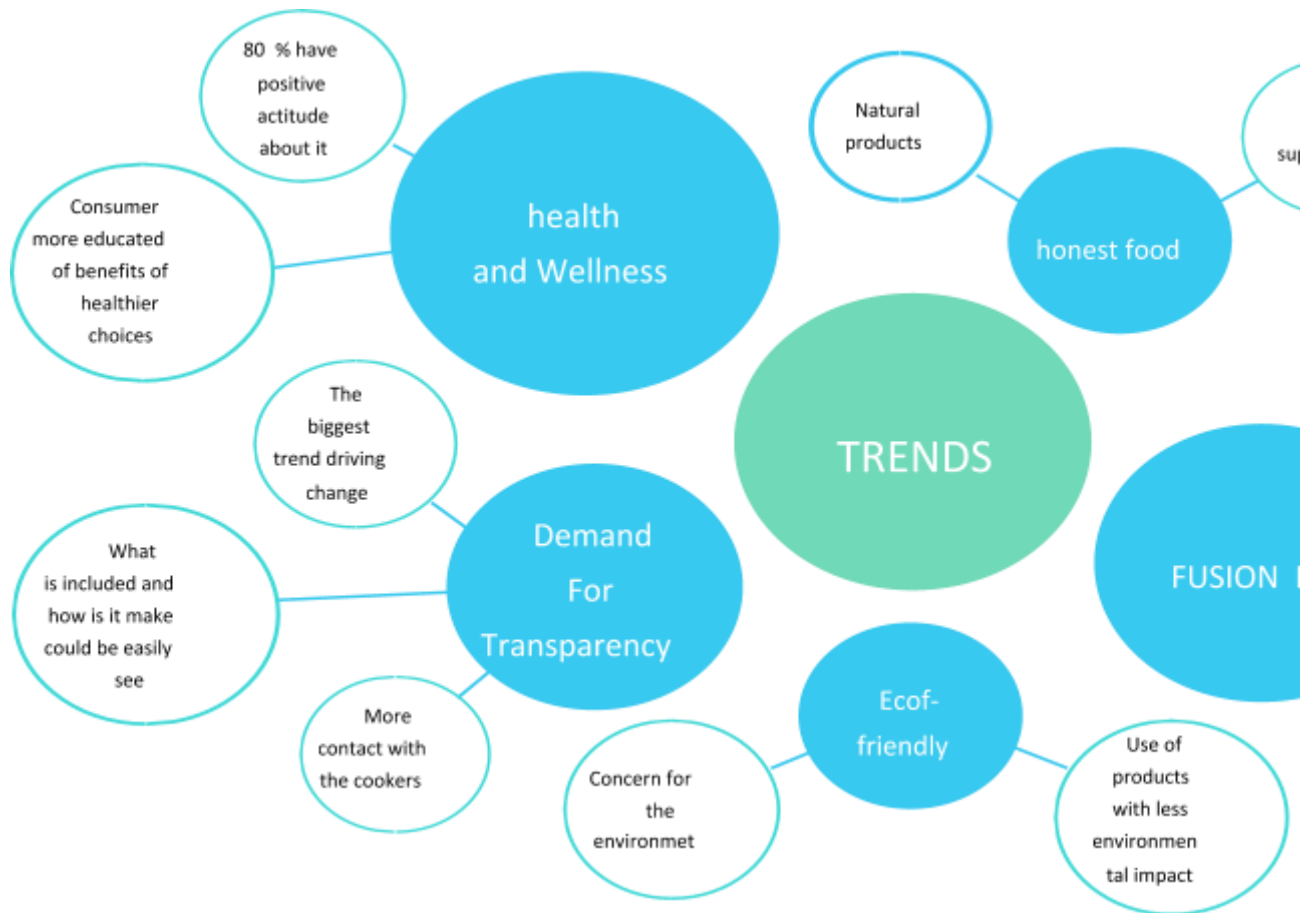


**b. Micro environment:**

i. Five forces of Porter



## VIII. Trend



## IX. Market Analysis

### a. Purpose:

To reduce business risks of develop food truck business in Peru and analysis potential market to create opportunities for our Fusion Wok Start-up, we did a conduct primary and secondary data collection

#### i. Primary Research- Survey

For this analysis we use the tool of surveys for 67 people. The principal's results are:

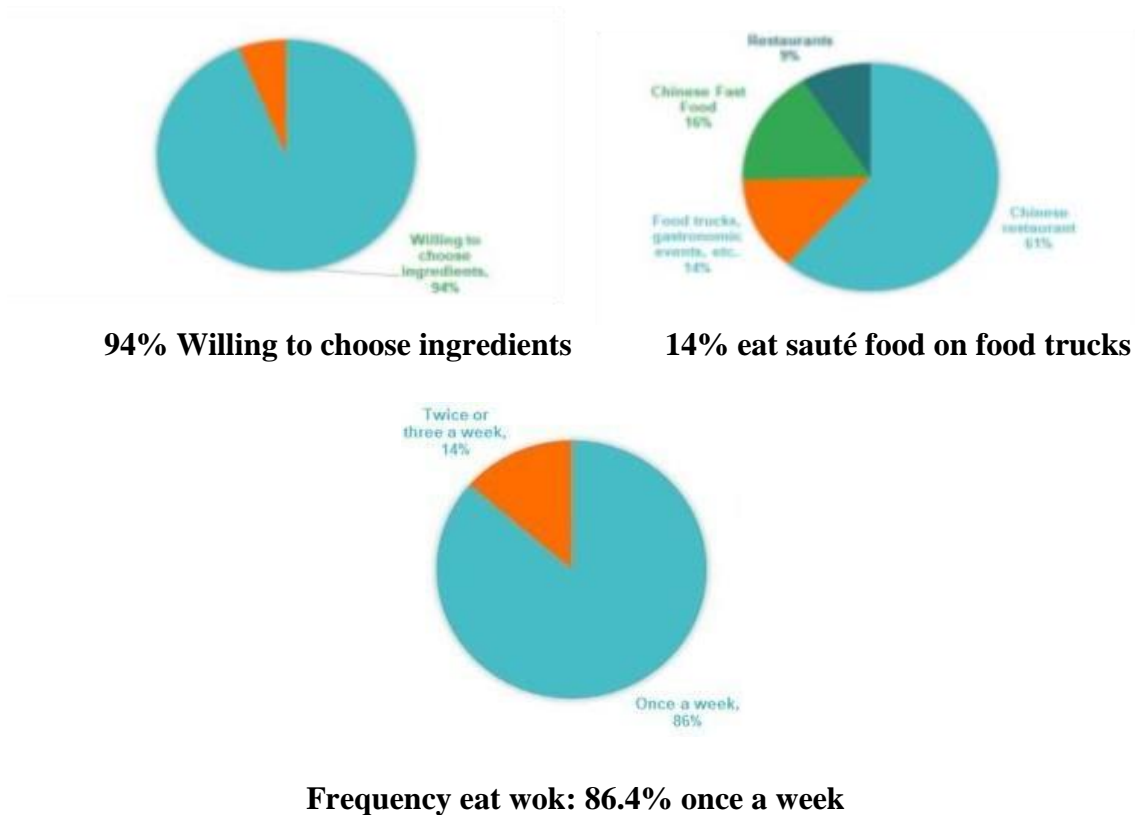


Figure 3. Results of Primary Research- Survey

Our conclusions are as follows:

- Most people find the tailored service and being able to choosing their own ingredients more appealing, and prefer products that are saute.
- Most people eat out at least once a week.
- Taste is one the biggest reasons why a customer choose one place to eat. Peruvian-Oriental restaurants or Chifas are very popular in Peru.

ii. Secondary Research

We had access to several food truck market researches and thesis, enabling us to collect the following information from customers and food truck owners (Guardamino Baskovich, R. B. R., Paredes Medina, E. A, & Tocón Borja, M. A ,2016).:

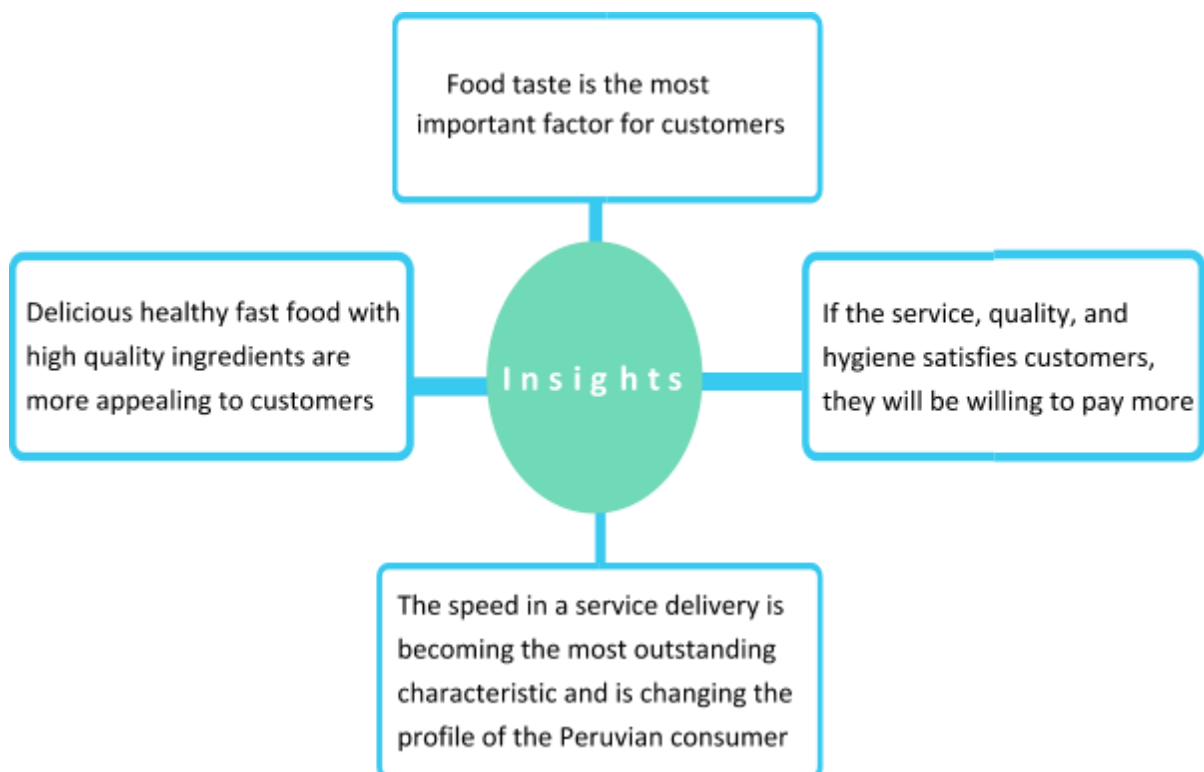
About the clients:

- The current healthy food offer is oriented towards salads with proteins, making it more limited. Some food trucks have vegetarian or healthy options in their menu but were not included in their initial business proposal.
- Customers think that eating healthy is expensive.
- People perceive that most food trucks offer high-fat fast food.

About the business:

- Although the best driver is the word of mouth, a good product and service are more important in engaging customers.
- The principal social network is Facebook.
- It is very important for the business to keep a stable positioning and participate in different events. Therefore, an alliance with the Food Truck Association and good contacts play a very important role.
- Sales on a regular basis vary between 100 and 200 portions; on food events or festivals, vary according to the dimension of the event: small event (approx. of 150 portions, medium events (approx. 300 portions), and large events (more than 300 portions).

**b. Insights of the consumer**



### c. Buyer Behavior

To know about our consumer, we created a persona:

## Roberto



**Age**  
25 to 35 years

**Highest Level of Education**  
Bachelor's degree

**Social Networks**



**Industry**  
Sales

**Organization Size**  
201-500 employees

**Preferred Method of Communication**

- Text Messaging
- Social Media
- E-mail
- Face-to-face

**Goals or Objectives**

- Professional Development
- Have a healthy life
- Save money

**Biggest Challenges**

- High time demanding work
- No time to prepare food
- Healthy food is expensive
- Exquisite taste in food

**Leisures**

- Outgoing, independent, practical
- Looks after his appearance
- Likes to try new things

**Personality**

- Eat out with friends
- Do exercise
- Travel

**Routine**

- Goes to work every day
- Eats lunch and dinner
- On weekends, goes to family events or activities

**d. Competitor comparison**

To compare our proposal in the market, we will be doing a comparison of food trucks and restaurants that have a similar proposal:

Table 1. *Competitor comparison*

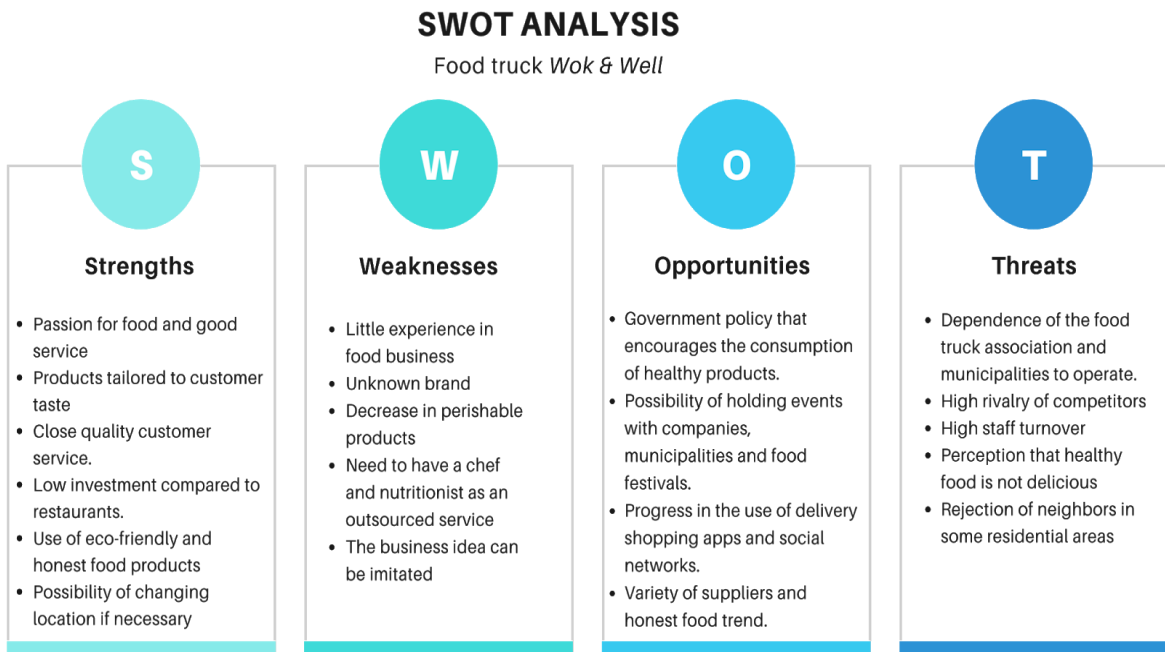
					
TASTE OF FOOD	✓	✓	✗	✓	
SERVICE	✓	✓	✗	✓	
CUSTOMIZED	✗	✗	✗	✗	
HEALTHY OPTIONS	✓	✗	✗	✓	
SOCIAL NETWORK	✗	✓	✓	✗	

After making the comparison with direct and indirect competitors, we concluded that offering a tailored service and wider pool of healthier ingredients are the biggest differentials against direct and indirect competitors. In relation to the price, the comparison will be detailed in the pricing strategy section.

**e. Differentiation and competitive strategy**

To provide a better understanding of our different services, we will use the SWOT tool:

Table 2. *Swot Analysis*



After identifying the needs of our customers, what makes us different from our competitors and the strengths that we have as a company, we have elaborated a service map with three specific work strategies:

- Customer-centered business strategy:
  - Create the best pool of ingredients so customers can choose what best fits their taste to meet their 100% expectation.
  - Build close links between the customers and the brand to generate knowledge on the needs of the customers.
  - Learn from the customer's taste to innovate our menu and adapt to the new tendencies.



- Quality first:
  - High quality ingredients from suppliers that comply with the highest quality standards.
  - Strict protocols in hygiene and sanitation on the food production.
  
- Employees commitment:
  - Permanent training
  - Comply with labor standards: pay salary on time and provide insurance coverage.

## X. Background Research

For the project simulation, we chose Design Thinking as an alternative to apply throughout the business plan. Therefore, to find out the acceptance rate of our proposal, we carried out a simulation of our service with potential clients to know their reactions and comments.

Simulations were conducted in two different opportunities with diverse potential customers (young people and families). We opted to simulate our tailored service because of its innovative structure.

**Simulations had the following characteristics:**

1. A pool of ingredients. We indicated that every ingredient had a "cost".



2. A step-by-step guide on how to order.



Conclusions were grouped in the following segments:

Table 3. *Conclusions of the background research*

FOOD	LOGISTIC	HEALTH	CUSTOMER SATISFACTION
<p>Due to the visible pool of ingredients, people opted to try new ingredients and combinations. Even choosing elements that they never tried before or wanted to combine with, but never had the chance to.</p>	<p>-Only one takeaway bowl is needed for the selection process and the final product delivery. -Cooking process (new combinations) must be coordinated by the chef and assistant.</p>	<p>People perceive that by adding fresh vegetables to the cooking process, the final product is more digestible.</p>	<p>There is more satisfaction when people choose their own ingredients. People require guidance on the selection process but quickly understand.</p>

## XI. Marketing Plan

### a. Market Segmentation

Food trucks are part of the activities of food and beverage service category, particularly in restaurant service activities and mobile food service activities (in trucks).

#### i. Target market selection

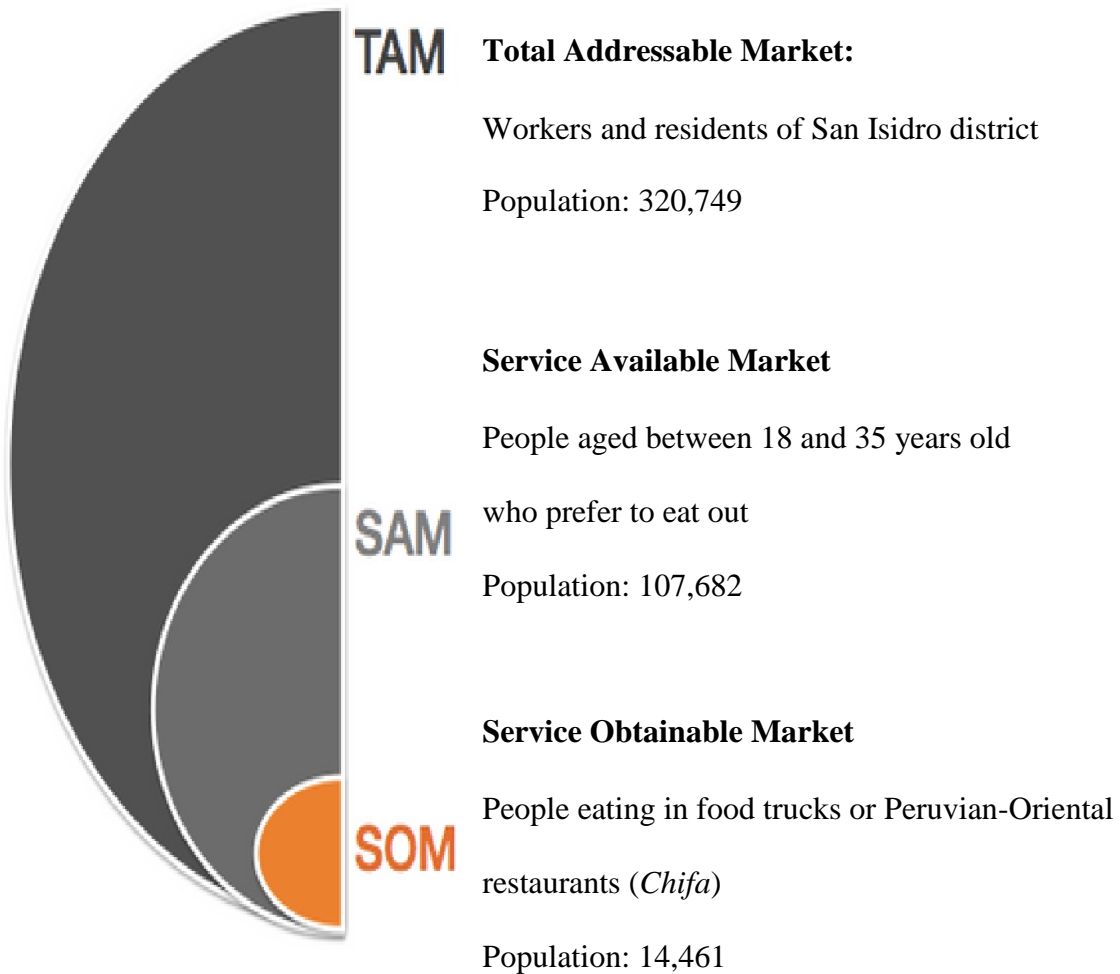
Due to its business model, Wok & Well has two main targets of mobile food service:

- Young adults from 18 to 35 years old that live, work or study in San Isidro district.
- Families that eat out on weekends, which are commonly motivated by the youngest members to try new food combinations and who are aware of the open food events found in social network.

Why these targets?

- These people tend to be more educated, techie and set food trends.
- These people seek brands or concepts aligned to their values, prefer healthier products and are eco-friendly.
- These people look for an innovative experience, immediate satisfaction, high quality service either virtually or on-site.

## Identification of our market

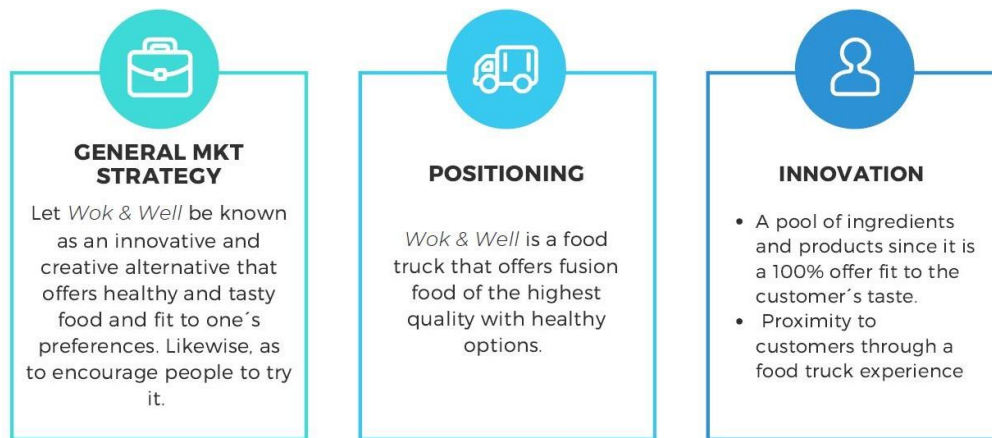


### Assumptions:

- 32% of the people are between 18 and 35 years old.
- 39% of people prefer to eat out.
- 13.43% of people go to food events, fairs or Peruvian-Oriental restaurants (*Chifa*).

## b. Marketing Strategy

Table 4. Marketing Strategy



The short- and long-term marketing objectives are as follows:

The first strategy is to position the brand in the market as a healthy option of fusion cuisine to get acknowledged by the target audience.

To increase the participation in food events: Participation in food events is very important for the development of the business. Therefore, it is crucial to be a member of the Food Truck Association and benefit from the existing agreements they hold with companies and annual food activities.

To increase repurchase and average ticket: It is important that old and new clients find a pool of appealing alternatives that would increase their consumption every time they visit the food truck. Likewise, offering various food options throughout the day could be considered to achieve this objective.

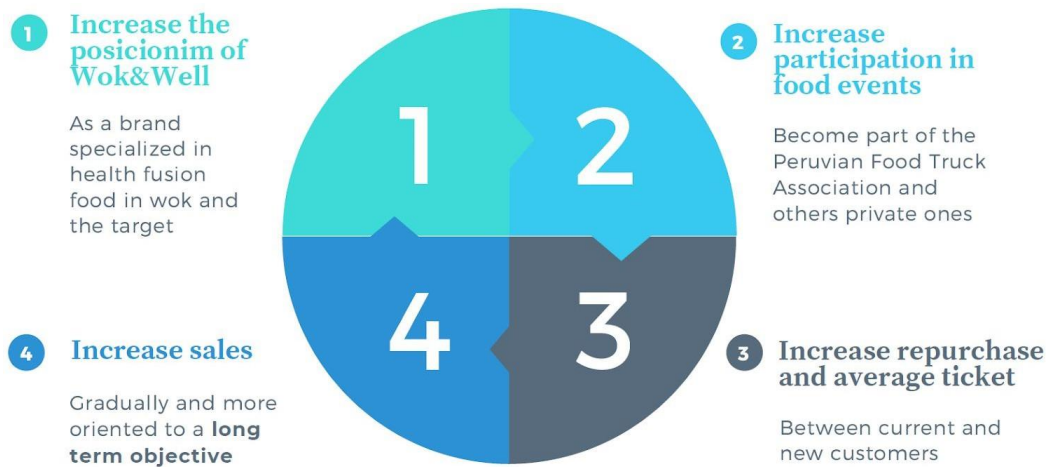


Figure 7. Marketing Objectives

### c. Communications and promotion strategy

The food truck communications strategy would consider on-site and digital channels. As part of the branding and advertising strategies, the truck is used as a very significant component to promote the company's activities while it drives around the city.

Table 5. *Communications and promotion strategy*



## d. Branding

### i. Food truck design



### ii. Takeaway bowl and uniform



### iii. Menu Wok&well







by applying promotion and advertising tools, as well as mouth-to-mouth recommendations.

For the third stage, once the best strategy for the company has been identified, then comes the strategy of reaching to the most number of clients. In the same way, by actively participating in food festivals and events that the Food Truck Association offers.

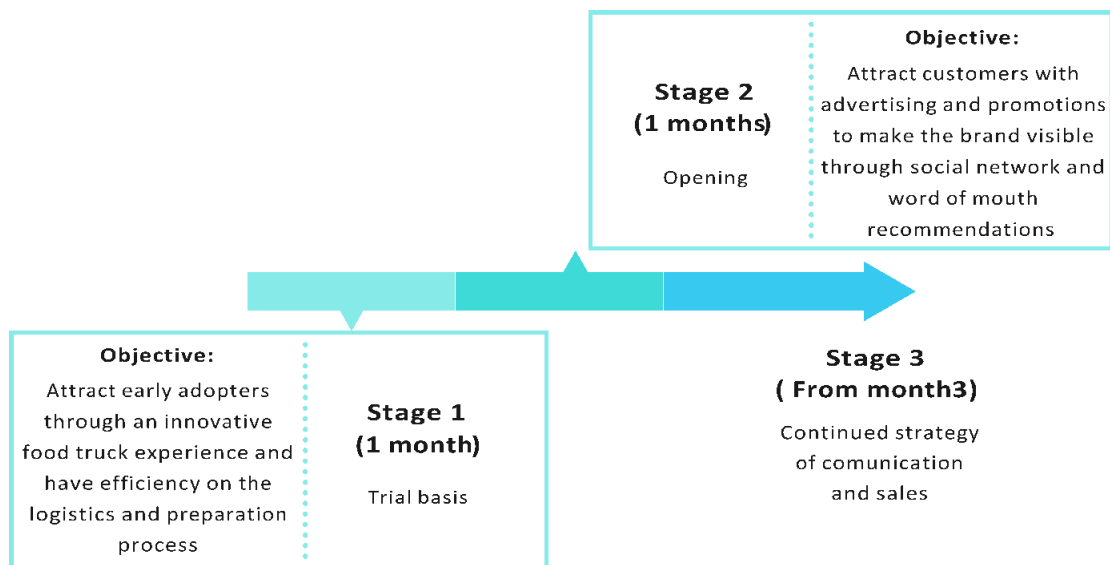
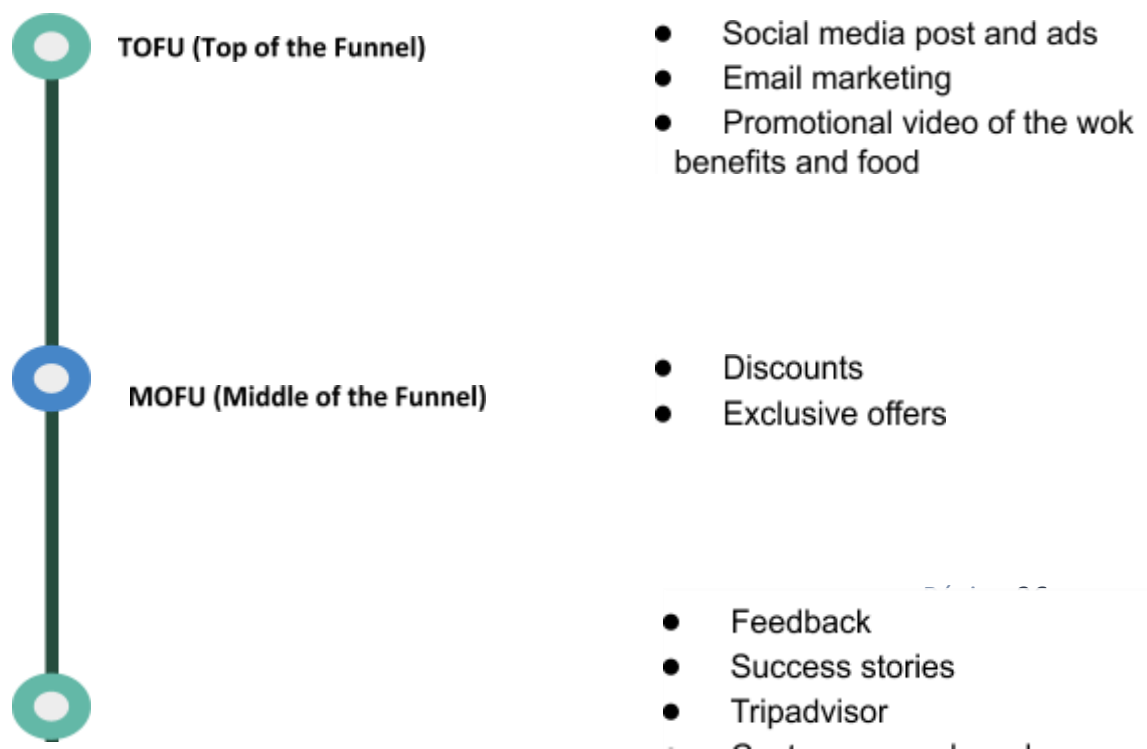


Figure 12. Go to market strategy

#### f. Sales funnel



## BOFU (Bottom of the Funnel)

### XII. Sales plan

#### a. Pricing Strategy

Wok & Well will adopt the pricing strategy of value-based pricing on the following criteria:

Detected value added: tailored dishes, high quality ingredients, unique customer service  
Competitors prices of the same area

Table 6. Wok&Well vs Direct competitors

	WOK & WELL	DIRECT COMPETITOR IN THE SAME AREA	HEALTHY RESTAURANTS
MENU DISHES	13.50 soles	12 soles	None
TAILORED DISHES	15 a 20 soles	15-20 soles	20-25 soles

#### Summary

Wok & Well prices will vary depending on the selected ingredients but the average price for a tailored dish would be between 15 and 20 soles aligned to direct competitors but much less than healthy restaurants.

## b. Sales projection

For the sales projection, we considered the information of our secondary research provided by the Food Trucks Association, the quantity of average sales on business days and weekends in different event scales.

The following was considered:

- On business days at San Isidro district: 100 daily orders.
- Food events on weekends:
  - Small events: 150 orders
  - Medium events: 280 orders
  - Big events: 400 orders
- Tailored orders have an average price between 16 and 19 soles.

Table 7. Detail of sales in year 1 and 2

	YEAR 1	YEAR 2
DAYS OF OFFICE	19,580	21,538
SMALL EVENTS	5,514	6,065
MEDIUM EVENTS	11,957	13,153
BIG EVENTS	2,608	2,869
<b>TOTAL SALES</b>	<b>36.659</b>	<b>43,625</b>
<b>INCOME</b>	<b>587,469</b>	<b>646,215</b>

### **c. Marketing and sales metrics**

Since Wok & Well is a new business, our main objective is to know if the business is feasible and to validate the strategies used in the three stages. The main metrics should be focused on sales, clients and digital marketing.

In relation to sales metrics, the business will focus on collecting the number of sold dishes, the margin benefits of each dish and the client preferences to know what the business profits are, as well as the average ticket consumption of our clients. These metrics will provide a quick look of the incomes.

Regarding sales, it is important to know the metrics of the company's clients and community. The monitoring of the client's data base will serve as a support to develop a strategy for customer loyalty, as well as the number of fans and followers of the website in social networks, posts launched, and the follower retention.

In relation to the marketing metrics, it is crucial to have the metrics of conversion and campaigns and posts that have been disseminated in social media, as well as the acquisition cost of these clients. On the other hand, our focus would also rely on the interaction with the clients through our posts, allowing to create more appealing content for current and potential clients.

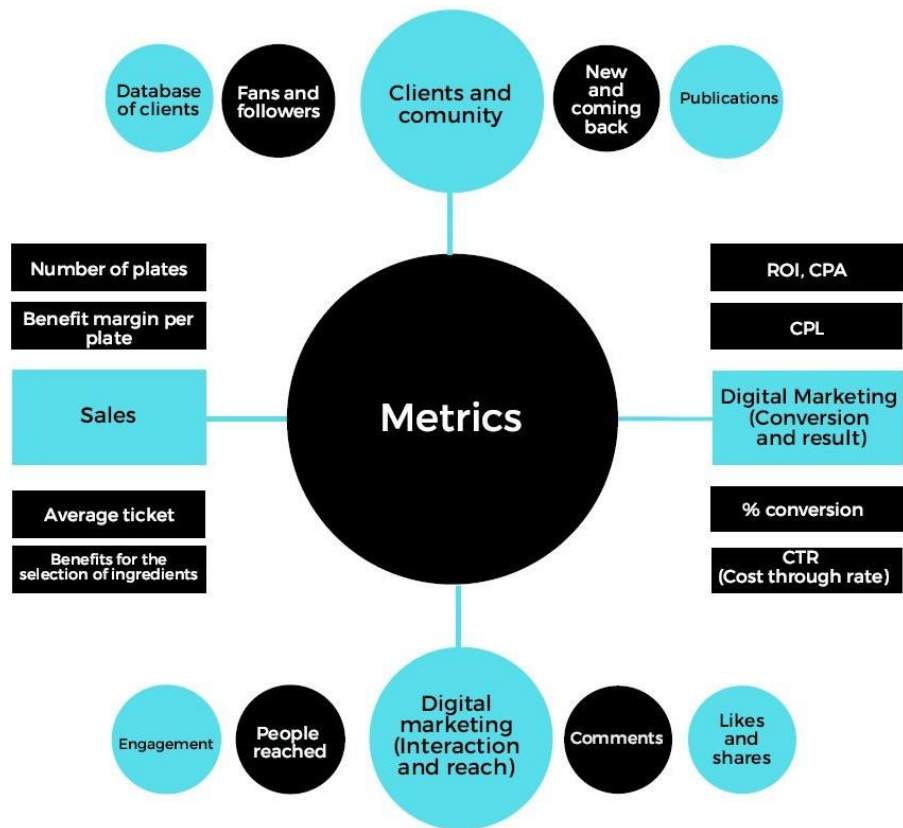


Figure 14. Marketing and sales metrics

### XIII. Operations plan

#### a. Business Model

The Wok & Well business model considers its sales strategy for the streets and food events. Therefore, each area of the Canvas model is detailed as follows:

- i. Key Partners: The most important partner for the company to succeed is to become member of the Food Truck Association, which offers as primary

benefit, the access to all food events the association participates in and provides greater facility to obtain work permits. In addition, like in any food company, its quality depends on how good the suppliers' products are and how competitive the prices are to maximize the benefit per dish.

- ii. **Key activities:** The development of cooking processes, supplier management and product conservation represent crucial processes to provide a proper customer service and a better resource optimization. On the other hand, marketing activities play a significant role to appeal new clients, as well as to promote campaigns.
- iii. **Key resources:** The key resources of the company are the truck and the cooking staff required to run a full kitchen on wheels. In addition, the staff's knowledge and experience on wok cooking and flavour are crucial to achieve that oriental style of this culinary proposal.
- iv. **Value proposition:** Our value proposition focuses on providing our clients a high quality culinary proposal of Peruvian-Oriental wok cooking fusion, and the possibility to decide on the ingredients according to the clients' preferences.
- v. **Customer relationship:** Our intention is to provide a personalized service and keep a face-to-face relationship with our clients for a better selection of ingredients. In this sense, to know the client's interests would enable new options that will constantly improve our menu.

- vi. Customer segments: The customer segments of Wok & Well are mainly two: people who work in the district of San Isidro, where the food truck will operate on an office schedule; and the people who participate in the food events hosted by the Food Truck Association.
  
- vii. Channels: For the company, the main channels are the use of social media, the point of sale, food events, word of mouth recommendations and delivery applications.
  
- viii. Cost structure: It is determined by the initial investment used for the start of the company, as well as all operating costs and expenses required.
  
- ix. Income stream: The company incomes will be generated by the sale of dishes, complementary products and orders made in events.



<p><b><u>Key Partners</u></b></p> <ul style="list-style-type: none"> <li>• <u>Supplier</u> of raw materials and food supplies</li> <li>• Supplier of eco-friendly packaging</li> <li>• <u>Delivery company</u></li> <li>• <u>Food truck association</u></li> </ul>	<p><b><u>Key Activities</u></b></p> <ul style="list-style-type: none"> <li>• Creation of dishes and food menu</li> <li>• Internal <u>processes</u> and external suppliers</li> <li>• <u>Marketing promotion</u> and sales</li> </ul>	<p><b><u>Value Proposition</u></b></p> <ul style="list-style-type: none"> <li>• Provide a culinary proposal of <u>high-quality</u> fast food</li> <li>• <u>Peruvian-oriental</u> fusion dishes of customer customization</li> <li>• <u>Healthy and accessible</u> products</li> </ul>	<p><b><u>Customer Relationship</u></b></p> <ul style="list-style-type: none"> <li>• <u>Personalized</u> and quality attention, <u>contact</u> with the customer</li> </ul>
<p><b><u>Key Resources</u></b></p> <ul style="list-style-type: none"> <li>• Food truck and equipment</li> <li>• People</li> <li>• Brand and social media</li> <li>• Provider network</li> </ul>		<p><b><u>Channels</u></b></p> <ul style="list-style-type: none"> <li>• Word of mouth</li> <li>• Social media</li> <li>• Direct point of sale</li> <li>• Events</li> <li>• Delivery App</li> </ul>	
<p><b><u>Cost Structure</u></b></p> <ul style="list-style-type: none"> <li>• <u>Investment</u> for starting the business and setting up the company</li> <li>• <u>Operation costs and expenses</u>, salaries of the staff, marketing, operational license, storage and operating costs</li> </ul>		<p><b><u>Revenue Streams</u></b></p> <ul style="list-style-type: none"> <li>• <u>Direct income from sales</u> of products both in cash and in person and through the app</li> </ul>	

Figure 15. Business Model

## b. Service cycle

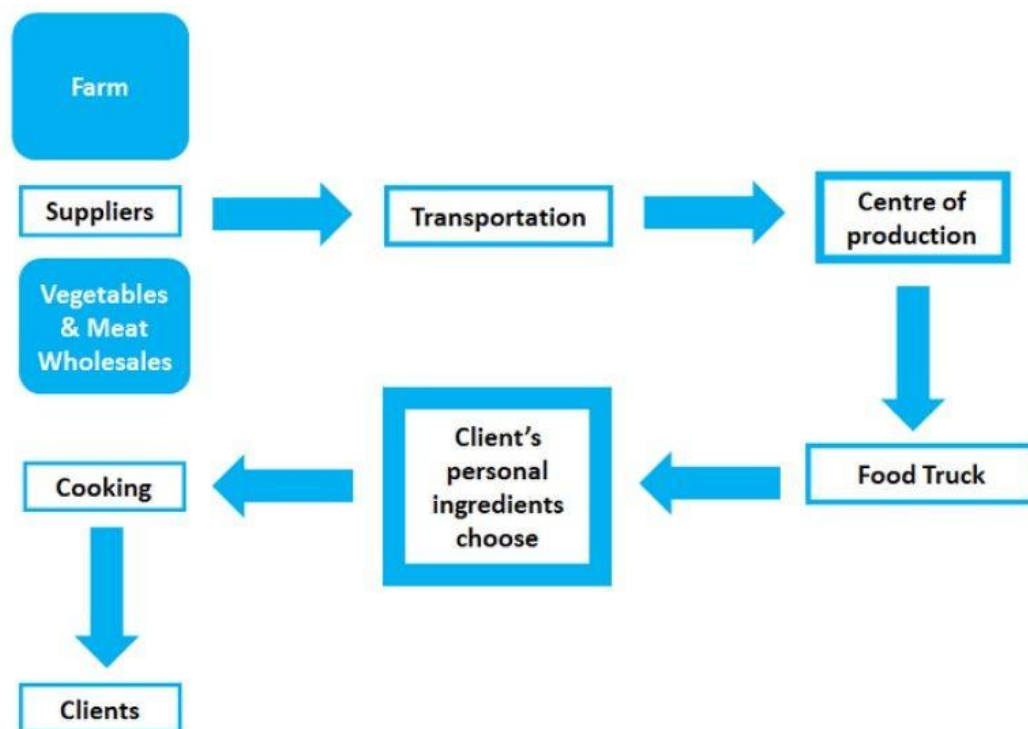


Figure 16. Service cycle

The Wok & Well service cycle starts with the purchase of our ingredients to direct specific suppliers that sell to restaurants, and distributors of vegetables and groceries.

All the products are transported to our distribution centre where our warehouse of non-perishable food is found, and our perishable food is stored in freezers. All ingredients are then chopped, and all inputs are prepared in order to provide a fast customer service at the point of sale.

Afterwards, these inputs are transported to the food truck, where each client has the possibility to choose their preferable ingredients to be prepared in wok cooking. The order process of clients is as follows:

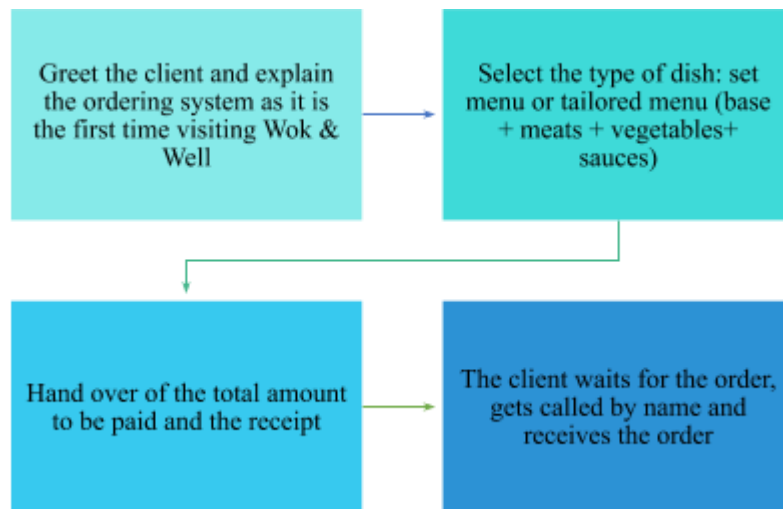


Figure 17. Customer service process

### c. Operating model

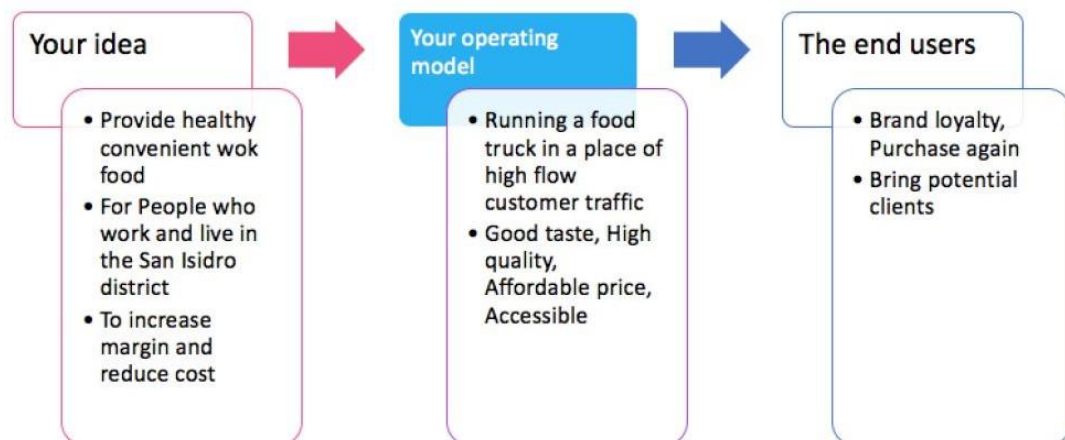


Figure 18. Operating model

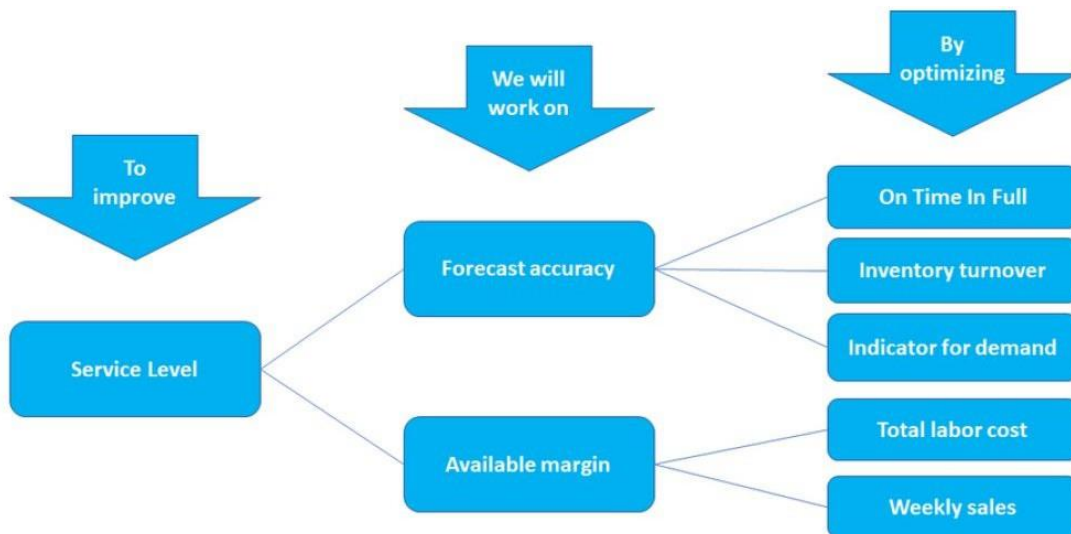
**d. Resources to deploy and develop**

*Table 8. Resources to deploy and develop*

	Physical	Human	Knowledge	Ec
Base	Truck Raw Materials	Family business	Online survey; Product testing;	Environ friend
Organization	Routine truck maintenance; Food safety testing in storage	Build efficient internal communication; Establish specific responsibilities for each	Analysis data from survey and producing testing to get key needs of consumer	P envi awa cus Increa fav
Development	Development more trucks in different city; Central Warehouse management in future	Hiring professional employee deal with finance, accounting and legal part	Select channel to promote our products	O envi protec a



**e. Most important operational KPI identify levers**



## XIV. Financial plan

### a. Overall view

The financial plan in Food Truck business is developed on a yearly basis with projections extending to next 5 years. It involves estimating the sales, various costs such as truck, equipment, personnel salaries, buying of goods etc and the expected cash flows.

Based on the detailed financial analysis done in excel, and keeping in mind the key assumptions, we have concluded that:

### b. Sources of funds

To begin the business, we need a 100,000 Sols worth of money. The money would be in form of love money, raised from friends and family.

### c. Costs

#### i. Variable costs:

Costs like food ingredients, packaging and others form around 48% of our sales. Since it is a healthy food business, the costs are ~10-12% high as compared to a typical food truck business.

ii. Fixed costs:

Costs like salaries, fuel, rentals, insurance, cleaning, marketing and others form around 24% of our sales.

**d. Revenue Channels**

There are 2 main channels of revenue. The regular Monday to Friday sales of meals form approximately 60% of our sales while the events bring in 40%.

**e. Sales**

The estimated sales from one truck for one year is 590,000 soles (160,000 euros).

**f. Margins**

The Gross margin for first truck per year is: around 47% with a Net margin of 14%. This is higher than the industry average of 6-9% because of our superior/healthier offering.

**g. Projections**

For the first truck, we are projecting a year-on-year growth of 10% in sales. This includes growth in daily food meals and event participation.

#### **h. BreakEven Analysis**

We estimate to break even for the first food truck after 7 months, covering its variable and monthly fixed costs.

#### **i. Cash Flow Management**

With the initial investment from friends and family, we project our initial couple of months to be cash tight after which we get smooth flow with increased sales.

#### **j. Business Expansion:**

The business expansion takes place as follows:

After operating the first food truck for 2 years, we plan to open a new food truck at the beginning of year 3. And similarly, another food truck at the beginning of year 5. This is done keeping in mind that it takes at least 2 years to streamline an existing business and get a grasp of the business in one city.

For the first year of truck 2, we are projecting an increased sale of 10% as compared to first year of truck one. We are also expecting a decrease in 5% operational costs. This is done keeping in mind that as we learn more about operating a food truck, we can work in a more efficient way.



For the first year of truck 3, we are projecting an increased sale of 15% as compared to first year of truck one. We are also expecting a decrease in 15% operational costs. This is done since we would have learnt from existing 2 trucks and we would leverage the existing assets to obtain greater efficiencies.

## XV. Conclusions

- The “gastronomic boom” and the new lifestyle that clients are looking for opens the possibility to include a healthier Peruvian-Oriental food. Likewise, the government’s incentive to promote a healthier nourishment provides a very optimistic scenario for this type of food options.
- It is crucial for the company to become a member of the Food Truck Association, either to participate and position as a company in all the events and festival the association hosts or to easily obtain work permits.
- The business model based on the food truck is beneficial as it requires less investment than a restaurant which it can be focused on the product and service optimization instead.
- The value proposition offered by Wok & well is a different proposition compared to the current competitors of oriental food on the go, as we offer food totally adapted to the client's tastes. This is a great differentiator, compared to a market of food trucks that are widely known for offering fast food meals high in fat.

## XVI. Recommendations

- In the future, it is recommended to be part of more than one food truck association to reduce depending on a single organization.
- After the first three years, the possibility of taking the business model to provinces can be evaluated, especially in places with a high number of local and international tourists.

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