

# **ONLINE CATERING HOME DELIVERY SERVICES**

## **1. INTRODUCTION**

In today's world, all family members are working members and office goers. They find less time to buy groceries, vegetables and prepare food on daily business. Many of them rely on restaurants, Tiffin providers, or office/college canteens. People from villages come to cities for their further studies and they find difficult to cook food on daily basis in hostels. Also, they need various choices on food and restaurant selection and find it difficult to search every other restaurant, compare food prices/menu items and order. Online catering home delivery service can bridge the gap for this. It can be single step solution where customers can have choices from different restaurants and home cooks for their daily meals. They can order and get their meals deliver to their offices & homes.

## **2. SERVICES AND ITS APPLICATION**

This portal will provide customers flexibility in choosing from various restaurants. They can compare prices, menu items, reviews of restaurants and their food. They can pay online and order such that the meals can be delivered to their door-step. For restaurant owners and home cooks, this will give an added advantage where large base of customers can view their offerings. As an added benefit, they can choose this service provider's delivery facility so that delivery person picks meal from restaurant/home cooks and deliver to customers. Customers can also view and review the restaurants and their offering for their decision on selecting restaurants.

## **3. DESIRED QUALIFICATION FOR PROMOTER**

No such qualification is desired for promoter for this business

## **4. INDUSTRY LOOK OUT AND TRENDS**

It is known globally that, in today's market, it is extremely difficult to start a new small-scale business and live-through the competition from the well-established and settled owners. In fast paced time of today, when everyone is squeezed for time, the majority of people are finicky when it comes to placing a food order. The

customers of Today are not only attracted because placing an order online is very convenient but also because they have visibility into the items offered, price and extremely simplified navigation for the order. Online ordering system that is proposed here, greatly simplifies the ordering process for both the customer and the restaurant. System presents an interactive and up-to-date menu with all available options in an easy to use manner. Customer can choose one or more items to place an order which will land in the Cart. Customer can view all the order details in the cart before checking out. At the end, customer gets order confirmation details. Once the order is placed it is entered in the database and retrieved in pretty much real time. This allows Restaurant Employees to quickly go through the orders as they are received and process all orders efficiently and effectively with minimal delays and confusion.

## **5. MARKET POTENTIAL AND MARKETING ISSUES. IF ANY**

This online system will help to overcome the issue in existing system:

- For placing any orders customers have to visit hotels or restaurants to know about food items and then place order and pay. In this method time and manual work is required.
- While placing an order over the phone, customer lacks the physical copy of the menu item, lack of visual confirmation that the order was placed correctly.
- Every restaurant needs certain employees to take the order over phone or in-person, to offer a rich dining experience and process the payment. In today's market, labour rates are increasing day by day making it difficult to find employees when needed.

Hence, to solve this issue, here is a proposal for an "Online Food Order System, originally designed for small scale business like College Cafeterias, Fast Food restaurant or Take-Out, but this system is just as applicable in any food delivery industry. The main advantage of my system is that it greatly simplifies the ordering process for both the customer and the restaurant and also greatly lightens the load on the restaurant's end, as the entire process of taking orders is automated.

Anticipated Benefits are:

- This will minimize the number of employees at the back of the counter.
- The system will help to reduce labour cost involved.
- The system will be less probable to make mistake, since it's a machine.
- This will avoid long queues at the counter due to the speed of execution and number of optimum screens to accommodate the maximum throughput.

## **6. RAW MATERIAL REQUIREMENT**

- Computers, Advanced Software & Technologies and Network Infrastructure
- Vehicles for delivery services
- Office Furniture

## **7. SERVICE PROCESS OUTLINE**

For building of this project, entrepreneur needs to build a portal by associating with technology partner. S/he also needs to do marketing for this portal to attract large number of traffic on portal. This can be useful to attract more restaurant owners to do strategic partnership with service provider and give more advertising. Vehicles need to be bought with box fitted for carrying meals.

## **8. MANPOWER**

- Delivery support : 3 for order delivery management
- Marketing Support - 2 for market research and promotions of the service
- Technical Support - 1 to manage the online portal

## **9. IMPLEMENTATION SCHEDULE**

Portal and App building generally takes around 6-7 weeks. Other than this, there will be nothing which will consume more time. Partnering with restaurants can be done parallel to building portal. Purchasing Vehicles and fitting of box will not take more than 2 weeks. Bank finance can be availed in 5-7 weeks.

SR. No	Task Description	Duration
1.	Preparation of project reports	4-5 Days
2	Essential registration	4-5 Days
3	Portal and Mobile application Building	6-7 weeks
4	Arrangement of Finance/ loan	5-7 weeks
5	Arrangement of rented accommodation	5-7 weeks
6	Machinery and Equipment purchase and Installation	1 week
7	Recruitment of staff and labour	2-3 weeks
8	Partnering with restaurants	6-7 weeks
9	Trial Operation	2 weeks
10	Commercial Operation	2 weeks

## 10. COST OF PROJECT

Sr. No.	Particulars	Amount in Rs
1	Land	₹ 0.00
2	Building	₹ 0.00
3	Portal	₹ 1,25,000.00
4	Equipments/ Vehicle/ Other fixed investment	₹ 2,69,000.00
5	Working Capital Margin (3 Months)	₹ 3,77,400.00
6	<b>Total Cost of Project</b>	<b>₹ 7,71,400.00</b>

### (a) FIXED CAPITAL CALCULATION

Sr. No.	Description	Qty	Amount	Total
1	Building Portal and mobile app	1	₹ 1,25,000	₹ 1,25,000
2	Computers - with all necessary hardware and installed Windows and MS Office	2	₹ 27,000	₹ 54,000
3	Vehicle	4	₹ 40,000	₹ 1,60,000
4	Network Installation	1	₹ 5,000	₹ 5,000
5	Office Furniture	1	₹ 50,000	₹ 50,000
A	<b>Total</b>			<b>₹ 3,94,000</b>

### (b) WORKING CAPITAL CALCULATION

Sr. No.	Description	Total Amount per month
1	<b>Salary</b>	<b>₹ 90,000.00</b>
1a	Entrepreneur	₹ 20,000.00
1b	Delivery Support - 4 @ Rs 10,000 per month	₹ 40,000.00
1c	Marketing Support - 2 @ Rs 15,000 per month	₹ 30,000.00
2	<b>Raw Material</b>	<b>₹ 12,000.00</b>

2a	Internet Connection Charges	₹ 700.00
2b	AMC for Portal by service provider	₹ 7,500.00
2c	AMC by Payment Gateway	₹ 1,300.00
2d	Google Play Store / Apple Store	₹ 2,500.00
3	<b>Utilities</b>	<b>₹ 9,300.00</b>
3a	Power and Fuel	₹ 8,000.00
3b	Water	₹ 300.00
3c	Misc.	₹ 1,000.00
4	<b>Other Expenses</b>	<b>₹ 4,500.00</b>
4a	Transportation	₹ 1,000.00
4b	Advertising/Marketing/Social Media	₹ 2,000.00
4c	Stationery	₹ 500.00
4d	Misc.	₹ 1,000.00
5	<b>Rent</b>	<b>₹ 15,000.00</b>
B	<b>Total</b>	<b>₹ 1,25,800.00</b>

## 11. MEANS OF FINANCE

Sr. No.	Description	Percentage	Amount (Rs)
1	Promoter's Contribution	25%	₹ 1,92,850.00
2	Term Loan/Bank Finance	75%	₹ 5,78,550.00
	Total		₹ 7,71,400.00

### (a) Cost of Production

Sr. No.	Particulars	Amount in Rs
	<b>Variable Cost</b>	
1	Raw Material and Other Direct Inputs	₹ 16,500.00
2	Salary (60%)	₹ 54,000.00
3	Power (70%)	₹ 6,510.00
	Variable Cost 1 Month	₹ 77,010.00
	<b>Total Annual Variable Cost</b>	<b>₹ 9,24,120.00</b>
	<b>Fixed Cost</b>	
1	Overheads	₹ 10,000.00
2	Salary (40%)	₹ 36,000.00
3	Power (30%)	₹ 2,790.00
	<i>Sub Total</i>	₹ 48,790.00
	<i>Total for 12 Months</i>	₹ 5,85,480.00
4	Interest	₹ 69,426.00
5	Depreciation	₹ 35,100.00
	<b>Total Fixed Cost</b>	<b>₹ 6,90,006.00</b>
	<b>Total Cost of Production</b>	<b>₹ 16,14,126.00</b>

### (b) Turnover

Sr. No.	Particulars	UOM	Sales Per Month	Sales Per Annum	Revenue Per Annum
1	Commission Fee From Restaurant	10%	₹ 15,00,000	₹ 180,00,000	₹ 18,00,000
		per Month	Price Per Unit	Revenue Per Month	
2	Online Advertisement	100	₹ 1,000	₹ 12,000	₹ 1,44,000
3	Offline Advertisement Of Partner Restaurant	5	₹ 350	₹ 4,200	₹ 50,400
4	Strategic Partnership With Restaurant	20	₹ 1,500	₹ 18,000	₹ 2,16,000
5	Delivery Charge Revenue	3500	₹ 10	₹ 35,000	₹ 4,20,000
	<b>Total</b>				<b>₹ 26,30,400</b>

## 12. WORKING CAPITAL REQUIREMENTS

Sr. No.	Description	Total Amount per month
1	Entrepreneur	₹ 20,000.00
2	Delivery Support - 4 @ Rs 10,000 per month	₹ 40,000.00
3	Marketing Support - 2 @ Rs 15,000 per month	₹ 30,000.00
4	Internet Connection Charges	₹ 700.00
5	AMC for Portal by service provider	₹ 7,500.00
6	AMC by Payment Gateway	₹ 1,300.00
7	Google Play Store / Apple Store	₹ 2,500.00

## 13. LIST OF MACHINERY REQUIRED

Sr. No.	Description	Qty	Amount	Total
1	Computers - with all necessary hardware and installed Windows and MS Office	2	₹ 27,000	₹ 54,000
2	Vehicle	4	₹ 40,000	₹ 1,60,000
3	Network Installation devices	1	₹ 5,000	₹ 5,000

All the machines and equipments are available from local manufacturers. The entrepreneur needs to ensure proper selection of product mix and proper type of machines and tooling to have modern and flexible designs. It may be worthwhile to look at reconditioned imported machines, dies and tooling. Some of the machinery and dies and tooling suppliers are listed here below:

- 1 Impressive Computers  
Hasan Ali House No. 4/41-A,  
Noor Baug, Umerkhadi,  
Mumbai - 400009,  
Maharashtra, India
  
- 2 Computer Planet  
Shop No. 1, Shaniwar Peth-53,  
Opposite Amruteshwar Mandir,  
Amruteshwar Co Operative Housing Society,  
Near Shaniwar Wada,  
Pune - 411030,  
Maharashtra, India
  
- 3 Visicube Technologies Private limited  
Door No. 1-8-315,  
Begumpet, Opposite US Consulate,  
Hyderabad - 500016,  
Telangana, India
  
- 4 Micon Automation Systems Private Limited  
A-814, Siddhi Vinayak Towers,  
Behind DCP Office, Makarba,  
Ahmedabad - 380051,  
Gujarat, India
  
- 5 Adaptek Automation Technology  
No. 13, F- 3, 2<sup>nd</sup> Floor,  
Main Road, Adyar Nehru Nagar,  
Near H.D.F.C. Bank A.T.M.,

Chennai - 600020,  
Tamil Nadu, India

#### 14. PROFITABILITY CALCULATION

**Net Profit**  
**Net profit Margin**

**₹ 10,16,274.00**  
38.6357208

##### (a) Profitability Projection

Sr. No.	Particulars	UOM	Year Wise estimates					At Full Capacity
			Year 1	Year 2	Year 3	Year 4	Year 5	
1	<b>Capacity Utilization</b>	%	30	40	50	60	70	100
2	<b>Sales</b>	Rs Lakhs	₹ 7.89	₹ 10.52	₹ 13.15	₹ 15.78	₹ 18.41	₹ 26.30
3	<b>Raw Materials &amp; Other Direct Inputs</b>	Rs Lakhs	₹ 2.77	₹ 3.70	₹ 4.62	₹ 5.54	₹ 6.47	₹ 9.24
4	<b>Gross Margin</b>	Rs Lakhs	₹ 5.12	₹ 6.83	₹ 8.53	₹ 10.24	₹ 11.94	₹ 17.06
5	<b>Overheads Except Interest</b>	Rs Lakhs	₹ 5.85	₹ 5.85	₹ 5.85	₹ 5.85	₹ 5.85	₹ 5.85
6	<b>Interest</b>	Rs Lakhs	₹ 0.69	₹ 0.69	₹ 0.69	₹ 0.69	₹ 0.69	₹ 0.69
7	<b>Depreciation</b>	Rs Lakhs	₹ 0.35	₹ 0.35	₹ 0.35	₹ 0.35	₹ 0.35	₹ 0.35
8	<b>Net Profit Before Tax</b>	Rs Lakhs	-₹ 1.78	-₹ 0.07	₹ 1.63	₹ 3.34	₹ 5.04	₹ 10.16
9	<b>Profit %</b>		- <b>22.57%</b>	<b>-0.71%</b>	<b>12.40%</b>	<b>21.15%</b>	<b>27.39%</b>	<b>38.64%</b>

The basis of profitability calculation:

Sales per Month for Commission Fee are calculated based on 250 deliveries/meals per day considering breakfast, lunch and dinner. On an average price per delivery/meal is assumed at Rs 200. So calculation comes to [250 deliveries/day x 30 days x 200 Rs/delivery x 12 months] Rs 180, 00,000 per annum. Some of



deliveries will be done by this business and rest of deliveries by respective restaurant owners. So there will some more revenue from delivery charge by this business.

## 15. BREAKEVEN ANALYSIS

Sr. No.	Particulars	UOM	Value
1	Sales at Full Capacity	Rs Lakhs	26.30
2	Variable Costs	Rs Lakhs	9.24
3	Fixed Cost incl. Interest	Rs Lakhs	6.90
4	Break Even Capacity	% of Inst	<b>40.44</b>
	BEP = $FC / (Sales - Variable Cost)$	Capacity	
	*100		

## 16. STATUTORY / GOVERNMENT APPROVALS

Bureau of Indian Standards (BIS) is operating **Compulsory Registration Scheme (CRS)** for Electronics & IT Goods as per the provision of Chapter IVA of THE BUREAU OF INDIAN STANDARDS RULES, 1987 for the product categories notified by MeitY.

Visit official government website (Bureau of Indian Standards) for notice about products on: <http://crsbis.in/BIS/> Entrepreneur may contact State Pollution Control Board where ever it is applicable.

## 17. BACKWARD AND FORWARD INTEGRATIONS

It is assumed that the unit will be viable at 75% efficiency on single shift basis considering 5 working days or as per demand of area per week.

The rate of interest in the scheme is taken at 11.5 % for both fixed and working capital. Due to liberalization and competition among banks, lower rate of interest is possible in future.

The prices of machinery and equipment are approximate which are ruling locally at the time of preparation of the project. When a tailor-cut project is prepared the necessary changes are to be made at the local level.

The cost of staff and labour is approximate which is ruling locally at the time of preparation of the profile. When a tailor-cut project is prepared the necessary changes are to be made.

## **18. TRAINING CENTERS AND COURSES**

There is no specific course in repairing and assembling services, but the most authorized centre is government authorized "ITI" available in all the cities across the country.

India Training institute of computer technology conducts various technical courses in different cities to enable students to make a bright career. Most of our vocational programs are job-oriented with which students can start earning the day they finish their training or can learn them as a hobby. Students can join for any of these in vacations as all these are short-term certificate courses.

Udyamimitra portal ( link : [www.udyamimitra.in](http://www.udyamimitra.in) ) can also be accessed for hand-holding services viz. application filling / project report preparation, EDP, financial Training, Skill Development, mentoring etc.

Entrepreneurship program helps to run business successfully is also available from Institutes like Entrepreneurship Development Institute of India (EDII) and its affiliates all over India.

### **Disclaimer:**

Only few machine manufacturers are mentioned in the profile, although many machine manufacturers are available in the market. The addresses given for machinery manufacturers have been taken from reliable sources, to the best of knowledge and contacts. However, no responsibility is admitted, in case any inadvertent error or incorrectness is noticed therein. Further the same have been given by way of information only and do not carry any recommendation.

Source:- Udyami Mitra/Sidbi