

Cup of Sugar

Mobile Application

Sarah Morrison

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Executive Summary

General Company Description

Inspired by the better parts of Nextdoor, Cup of Sugar allows users to share food items that they have an excess of or to post requests for items that they need. Perfect for ambitious gardeners and Costco shoppers, Cup of Sugar provides a platform for sharing a harvest surplus or finishing off the jumbo clamshell of spinach that no one can get through.

Products And Services

Cup of Sugar is a mobile app that provides three channels for users: Share, Request, and Social.

- Share: Post items available for other users (e.g. produce, extra meal portions)
- Request: Post request for ingredients
- Social: Build community through social interactions and shared interests (likely centered around food, cooking, etc.)

Marketing Plan

Cup of Sugar exists in a space that build community through the sharing of food. While there are some food sharing options out there, they lean in more on explicitly reducing waste whereas Cup of Sugar leans in more on community to set itself apart.

The Cup of Sugar user lives in a multi-unit apartment complex. While they know the complex itself is a community of sorts, they long to better connect with their neighbors. They are conscious of their food waste at home, they find it difficult to decrease their waste.

Cup of Sugar needs users to be successful. A three-pillar plan covering Awareness, Engagement, and Outreach will help the app gain visibility and traction while it looks for strategic partners to further its mission of reducing wasted food.

Currently, Olio, a UK-based food-sharing app that focuses on reducing food waste, and Too Good to Go, a mobile app that connects users to retailers and restaurants with food surplus, address some parts of residential food waste, but not all.

Operational Plan

Once Cup of Sugar is established, work and maintenance can be completed remotely with hybrid touch bases when necessary. Daily operations require:

- Application maintenance and updates
- Cybersecurity
- Customer service
- Sales and marketing

As a mobile application, Cup of Sugar will need to adhere to a number of regulations and rules surrounding security and electronic communication. Additionally, the company will require general business liability insurance as well as additional liability cyber and tech liability insurance.

Management And Organization

Cup of Sugar will launch with limited personnel with eyes to expand. Led by a visionary/leading principle, they will be supported by development, marketing, and customer service personnel.

Financial Plan

Cup of Sugar will struggle to be profitable at launch and will rely on sponsors in the food and sustainability sectors for start-up cash.

Next Steps

Cup of Sugar strives to decrease food waste in user homes by 50%. In order to achieve this goal, further research needs to be conducted and revenue streams secured before launch.

Company Description

Over 40% of food waste in the United States is attributed to residential waste.¹ In spite of our best efforts, Americans produce an average of one pound of food scraps per day.² While composting is an eco-friendlier way to dispose of food waste, consuming items before they perish is even better.

Inspired by the better parts of Nextdoor, Cup of Sugar allows users to share food items that they have an excess of or to post requests for items that they need. Perfect for ambitious gardeners and Costco shoppers, Cup of Sugar provides a platform for sharing a harvest surplus or finishing off the jumbo clamshell of spinach that no one can get through.

Guiding Principles

The Cup of Sugar app is founded on the belief that food is one of the few common languages shared across cultures. Preparing and eating food has a long history of bringing people together, both through work and through reward, and building short and long-term communities. As we search for the sustainable solutions that the future depends on, a key tenant is caring for and supporting your fellow humans. The sharing of food nourishes a community and strengthens its bonds by fueling mutual relationships and pooling resources.

The Living Principles for Design framework is a catalyst for driving positive cultural change. Created by sustainability professionals working with the AIGA (a US national graphic arts industry group), the LP-Framework distills the four streams of sustainability — environment, people, economy, and culture — into a roadmap that is understandable, integrated, and most importantly, actionable.

THE LIVING PRINCIPLES: Four Streams of Integrated Sustainability

GUIDING PRINCIPLES



Environment: Actions and issues that affect natural systems, including climate change, preservation, carbon footprint and restoration of natural resources.

We will look for opportunities to eliminate food waste.

- We will create opportunities to distribute surplus food.



People: Actions and issues that affect all aspects of society, including poverty, violence, injustice, education, healthcare, safe housing, labor and human rights.

We will build a stronger community that seeks to support each other.

We will empower users to consider their roles and responsibilities within the food system.



Economy: Actions and issues that affect how people and organizations meet their basic needs, evolve and define economic success and growth.

We will foster the distribution of wealth and connect those with an overabundance with those in need of assistance.

We will work to ensure that money spent is not money wasted.



Culture: Actions and issues that affect how communities manifest identity, preserve and cultivate traditions, and develop belief systems and commonly accepted values.

We will not change the food system, but we will change its relationship with consumers.

We will respect the privacy, security, and concerns of users and their communities.

We will foster a sharing economy that connects people through the common language of food.

Mission, Vision, Values, Goals

Mission Statement

Connect people through the common language of food

Vision Statement:

Cup of Sugar believes that residential food waste is a problem that can be solved. Building a community of like-minded users allows consumers to take control over their food purchases and avoids overbuying and unnecessary spoilage. While food waste begins at the source of production, Cup of Sugar envisions a future where the residential sector isn't the largest contributor.

Values Statement:

- Community: There is strength in community. A true community is a mutually beneficial relationship based on support and the sharing of resources.
- Waste Conscious: While we have come to accept waste as a necessity of life, it does not need to occur in the excess that it currently does.
- Conservation: Wasting food is a waste of resources, energy, time, and money. By sharing overabundance and requesting items to avoid unnecessary purchases, consumers can take more control over what they have and what they need.

Goals and Objectives:

Cup of Sugar seeks to build a community that sustains itself through mutual distribution of surplus foods and requests for items in short supply. Success depends on an active user base that is devoted to a shared goal of decreasing residential food waste. By partnering with retailers, the app will allow users to take recover food from stores that otherwise would have

been wasted, especially perishables. After three years of adoption, Cup of Sugar aims to decrease residential food waste while tangentially decreasing retailer food waste.

- Expand from structured communities to neighborhoods and graduate to cities
- Achieve 3+ visits/week per user
- Partner with at least 5 local retailers
- Average user decreases self-generated food waste by 10%

Business Philosophy:

Cup of Sugar believes that:

- Excessive food waste is avoidable
- Combatting food waste starts with building community
- Recovery begins with redistribution

Industry Overview:

Cup of Sugar functions as a part of the food industry and the sharing economy. As food waste is currently a hot topic—and even more so with current inflation—there is an opportunity to combat the problem at a residential level beyond composting.³

Market Segment Overview:

Currently, US households waste 35% of the food that they bring into their homes. With much of this attributed to perishable food, there is a huge opportunity for residences to share their overabundance or ask for something to avoid overbuying.⁴ The initial launch of this app will target residential complexes—like apartments or dormitories—that already form a residential community. Targeting these users makes sharing and requesting food convenient to inspire use while inherently building stronger community connections.

Company Strengths and Competencies:

As the culture has become accustomed to the sharing economy through services such as rideshare and community-based social media applications, there is an opportunity for an app with a more targeted purpose.

- Build community around a shared need: food
- Foster relationships through participation that strengthens the community
- Present a convenient platform for redistributing resources within a community

Legal Form of Ownership:

Cup of Sugar will launch as an LLC. With adequate growth, it will work toward becoming a Benefit Corporation to publicly affirm its commitment to environmental and societal goals.

Products and Services

Cup of Sugar is a mobile app that provides three channels for users: Share, Request, and Social.

- Share: Post items available for other users (e.g. produce, extra meal portions)
- Request: Post request for ingredients
- Social: Build community through social interactions and shared interests (likely centered around food, cooking, etc.)

Marketing Plan

Cup of Sugar needs users to be successful. A three-pillar plan covering Awareness, Engagement, and Outreach will help the app gain visibility and traction while it looks for strategic partners to further its mission of reducing wasted food.

Market research

Opportunity

Food waste is becoming increasingly visible as sustainability problem that needs to be solved. However, while most people are aware of food waste, there is a general lack of awareness around individual contribution to the problem. While US households waste 40% of the food they purchase, 53% of Americans don't believe that they waste food.⁵ Raising awareness of food wasting behaviors and presenting a solution that shares similarities with apps like NextDoor and Facebook Marketplace present an opportunity to address residential food waste by leveraging existing habits.

Methodology

Qualitative: Foundational

Cup of Sugar's success hinges on user desire to understand their behavior and actively change it. Foundational learning about the causes of food waste within households and consumer attitudes towards addressing it are imperative to providing an experience that inspires repeat engagement. Conducting this research qualitatively allows for a deeper understanding of the challenges consumers face and highlights underlying drivers and barriers to addressing wasteful behavior.

Objectives:

- Understand the causes of food waste: overbuying, spoilage, leftovers, etc.
- Uncover the effects of food waste in the home: loss of food, waste of money, etc
- Deep dive into food waste concerns: Do they exist? How are they currently being addressed? What could be improved?
- Understand use of social media or online marketplaces with P2P functionality, like NextDoor, Facebook Marketplace, Craigslist
- Gauge initial attitudes surrounding the Cup of Sugar concept and explore potential watchouts

Quali-Quant: Concept Test

The initial round of foundational learning will provide insight on what this app should accomplish and offer guidance on what may or may not be useful features to inspire

usage. Once a prototype is generated, launching a pilot test in an apartment complex will allow for platform evaluation and usage statistics. Participants will track their app usage and answer a series of quantitative questions after each transaction. After a 30-day testing period, interviewers will speak with users—ranging from light to heavy—to understand the process and the experience.

Next Steps

Prototype will be optimized per the results of the pilot test. The app will then expand to additional buildings in the test city before rolling out to cities nationwide.

Economics

While the sharing economy has risen in popularity in the United States, its involvement with food is relatively limited beyond restaurant delivery. Because this app inspires significant behavior change, ensuring that it is convenient will be imperative to its success. Launching in cities with high numbers of apartment buildings allows for insular communities to build loyalty to the app which, if successful, can begin to proliferate by word of mouth and digital avenues.

Market Size

US households collectively lose \$158 billion to food waste annually.⁶ While the goal of this app is to foster sharing and requesting across the population, at its beginnings it will focus on cities with significant investment in apartment buildings. In 2020, cities with high apartment construction and positive attitudes towards sustainability-focused initiatives include⁷:

- Austin, TX
- Denver, CO
- Brooklyn, NY
- Chicago, IL
- Portland, OR

Barriers

- Consumer Acceptance: Users need to want to redistribute their excesses and feel comfortable requesting items
- Unique Technology: While inspired by social media and neighborhood platforms, Cup of Sugar requires frequent usage and interaction to succeed
- Value: At its onset, users may be wary of the value this app may give them and if it may inconvenience them in any way.

Overcoming Barriers and Looking ahead

Familiar sharing economy players—like Uber and AirBNB—are actually rather commercial so Cup of Sugar needs to communicate that it contributes to solidarity and community through true sharing.⁸ Additionally, only 53% of homeowners report having a neighbor they would ask for an ingredient or for help.⁹ Marketing efforts need to educate potential users on the value using the app would provide them and the subsequential benefits it can provide.

- Awareness: Build a presence on social media and within locations where they app would be used and prioritize the community building aspects of the application
- Outreach: Raise awareness of residential food waste and what it costs households
- Engagement: Incent users to participate in the app and foster connections between users

Product

Cup of Sugar is a single platform that provides three avenues for user interaction: Share, Request, and Social.

Features and Benefits

Cup of Sugar will launch with three avenues of interaction:

Share

- Using the share feature, users will post items that they have in excess. This can include single ingredients, products, or even prepared meals. Sharers will have the opportunity to estimate the amount of number of servings they have available.
- When an item is shared, other users will be notified that a new item is available. If a user is interested, they will “accept” the item; if posted item is large in amount or has multiple servings, acceptors can select how much they will take. Items will be marked as claimed.
- Similar to Poshmark, when an item is claimed, the sharer will need to acknowledge that have seen the claim and confirm the item is available.

Request

- The request feature allows users to post requests for ingredients they are searching for. When posting, users will be prompted to select the amount of an item they are looking for.
- Request posts will trigger push notifications sent to user devices. If a user can fill a request, they will “accept” the request.

- Similar to Poshmark, when a request is filled, the requester will need to acknowledge that have seen the claim and confirm they are still in need.

Social

- The social function will display a feed to users that shares app activity and creates transparency around participation.
- The feed also provides a space for food-related content: users can share/request recipes, cooking tips, deals they have seen at area food retailers, etc.
- Additionally, users personal accounts will keep a record of the items they have shared and those they have requested. Using this data, the app will provide an estimate of the amount of food waste they have avoided via redistribution as well as the potential savings they received from requesting an ingredient rather than purchasing a full-size item.
- The combination of these features provides measurable benefits ranging from reducing food waste, limiting food spoilage, and preventing overbuying. Indirect benefits include building community and getting to know one's neighbors.

Future Development

Planned features include retailer integration and gamification.

Retailer Integration

- This integration would allow retailers to push notifications to users for last minute sales, discounted offers, or other claimable promotions.
- If an item is limited in availability, the app would allow users to claim these deals in order to prevent overselling.

Gamification

- User interaction can often be influenced with an incentive. This feature would award users points based on their activity with the potential for the highest earners to receive a reward of some kind.

Competition

While there are some applications currently existing in this space, they either have limited reach or different objectives. Additionally, neighborhood focused apps like NextDoor could provide similar functionality, though they are more focused on keeping abreast of community happenings.

- [Too Good To go](#) (Retailers)
- [Olio](#) (Community)

In the final column, estimate the importance of each competitive factor to the customer.
1 = critical; 5 = not very important.

Table 1: Competitive Analysis

FACTOR	Cup of Sugar	Strength	Weakness	Too Good To Go	Olio	Importance to Customer
Products	High	x		High	High	1
Price	Free	x		Free	Free	1
Quality	High	X		High	High	1
Selection	Medium (unsure)		x	High	High	2
Service	Medium (unsure)		x	High	High	1
Reliability	Medium (app and participation)		x	High	High	1
Stability	High	x		High	High	1
Expertise	Low (new in town)		x	High	High	5
Company Reputation	Low (does not exist)		x	High	High	3
Location	High	x		Medium (limited N. America)	Low (UK)	5
Appearance	High	x		High	High	2
Advertising	Medium (have to start!)	x		High	High	3
Image	Medium (need to cultivate)	x		High	High	2

The main advantage for Cup of Sugar is its United States origin. Too Good to Go hails from Canada and has limited reach in the United States. Olio is UK-based and has yet to cross the pond.

Mainstream Competitors

Currently, mainstream competition is limited to other apps or social media platforms that serve to build communities. While items can be shared at no cost, items are more often bought and sold.

[Nextdoor](#)

Nextdoor is a hyperlocal social network that is target for neighborhoods.

The Nextdoor platform allows users to report on happenings in their neighborhood and provides the opportunity to buy/sell items as well as request recommendations. However, Nextdoor does not have a food waste focus; while the app could be used in this capacity, it rarely—if ever—is. Additionally, Nextdoor has a reputation for providing a platform for hate speech, being a “snitch” platform, and proliferating racism.

Sustainability Focused Competitors

Sharing amongst community members is increasing in popularity and sharing hubs, like the [Minnesota Tool Library](#), are very similar to Cup of Sugar in spirit. However, many food sharing services are more targeted to retailers/restaurants or those food insecure.

[Olio](#)

Olio is a UK-based food-sharing app that focuses on reducing food waste. It seeks to connect those with surplus food with those who need/want it. Those donating can range from users to retailers to restaurants and beyond. While the app has expanded to the United States, user participation is limited. Additionally, users do not have the opportunity to request items. At this juncture, the company claims to have:

- Shared 57,921,276 portions of food
- 6,104,732 users
- Saved 8,653,000,000 liters of water.

[Too Good to Go](#)

Too Good to Go is a mobile app that connects users to retailers and restaurants with a surplus of food. Users claim this surplus food and can purchase it for 1/3 of the original price. However, shoppers most often are asked claim the items without knowing what they are. Like Olio, it has a presence in the United States, but has yet to be adopted nationwide. At this juncture, the company claims to have:

- Saved 52 million meals
- Conserved 5.5lbs of CO₂ emissions per surplus bag

Competitive Field Summary

Competition in this exact space is limited, but sharing and community-focused apps could also be successful if offering similar functionality.

Strengths <ul style="list-style-type: none"> • History and reputation • Growth into multiple countries • Retailer participation • Restaurant participation • Media exposure 	Weaknesses <ul style="list-style-type: none"> • Limited functionality to request items • Limited reach in United States • TGTG: Surplus items not always revealed
Opportunities <ul style="list-style-type: none"> • Expanding reach in United States • Offering robust request functionality • Focusing specific on consumer-to-consumer sharing • Expanding beyond food 	Threats <ul style="list-style-type: none"> • Low user participation • Neighborhood apps • Multiple apps offering similar (if not the same) functionality.

Customers

Everyone is familiar with food waste, and the disappointment in discarding spoiled food is shared. When many fall victim to the same pitfalls, there is the opportunity to spread the resulting wealth. More sustainability-focused consumers would likely be the most eager users. Because convenience could be a barrier, those living in complexes are a good fit due to proximity to other users.

- Age: 20-70+
- Gender: All
- Location: Multi-unit apartment complexes in large cities, preference for cities more focused on sustainability measures
- Income level: Mix

Customer Summary

The Cup of Sugar user lives in a multi-unit apartment complex. While they know the complex itself is a community of sorts, they long to better connect with their neighbors. They have become increasingly aware of sustainable behaviors. However, while they are conscious of

their food waste at home, they find it difficult to decrease their waste. They know they are not the only one who has this problem and seek ways to adapt their behavior.

Niche

Cup of Sugar exists in a space that build community through the sharing of food. While there are some food sharing options out there, they lean in more on explicitly reducing waste whereas Cup of Sugar leans in more on community to set itself apart. Other apps also often point more to retailers and restaurants having the surplus that passes on savings to the consumer. Cup of Sugar focuses more on individual wasteful behaviors and strives to collectively change them.

Strategy

Cup of Sugar's strategy centers around Awareness, Engagement, and Outreach. By addressing these three pillars, the app forms a well-rounded approach to capturing users who use the app similarly but with different motivations.

- Awareness: Visibility is key to app adoption. Maintaining a presence on social media an in partner buildings will allow the app to stay top of mind.
- Outreach: Sharing food waste statistics provides captivating reasoning for using the app. However, different approaches will resonate more with different users; some may not want it directly linked to sustainability at all. Potential points:
 - Total food wasted/avoided
 - Monetary savings from avoiding waste
- Engagement: Keeping users interested and engaged is imperative to Cup of Sugar's success. Push notifications and regular check-ins with users will provide touchpoints for user satisfaction and future feature considerations.

Promotion

Social media will be a significant part of Cup of Sugar's application strategy:

- Accounts sharing food waste related content that focuses more on providing things for others and cost savings
- Materials around pilot building—materials provided to residents in participating buildings
- Social media ads

- Sponsored posts with retailers

Cup of Sugar will also maintain a presence at community events and open houses at apartment complexes.

Promotional materials will reflect a modern image while also calling to mind the old adage about borrowing a cup of sugar from your neighbor.

Promotional Budget

Before launch, funds for promotions will be limited. Social media engagement will be targeted locally and users will be prompted to spread word of the app to their friends. Tabling at events will be free or with a small fee.

- \$25,000 leading to launch
- \$10,000/year thereafter

Pricing

- Cup of Sugar will be free for users. Landlords can sign building up for service to offer as a perk for residents. Cost will be determined on a per unit basis.

Proposed Location

As a mobile application, Cup of Sugar will be accessible via user devices.

Distribution Channels

The application will be offered for Android and iOS devices and distributed via their associated app stores.

Sales Forecast

As an application that is free to users, revenue will be generated from landlord subscription fees, ad space, and sponsorship.

Worst Case				Best Case			
	ONE	TWO	THREE		ONE	TWO	THREE
JANUARY	\$2,000	\$4,000	\$8,000	JANUARY	\$3,000	\$6,000	\$12,000
FEBRUARY	\$2,000	\$4,000	\$8,000	FEBRUARY	\$3,000	\$6,000	\$12,000
MARCH	\$2,000	\$4,000	\$8,000	MARCH	\$3,000	\$6,000	\$12,000
APRIL	\$2,000	\$4,000	\$8,000	APRIL	\$3,000	\$6,000	\$12,000
MAY	\$2,000	\$4,000	\$8,000	MAY	\$3,000	\$6,000	\$12,000
JUNE	\$2,000	\$4,000	\$8,000	JUNE	\$3,000	\$6,000	\$12,000
JULY	\$2,000	\$4,000	\$8,000	JULY	\$3,000	\$6,000	\$12,000
AUGUST	\$2,000	\$4,000	\$8,000	AUGUST	\$3,000	\$6,000	\$12,000
SEPTEMBER	\$2,000	\$4,000	\$8,000	SEPTEMBER	\$3,000	\$6,000	\$12,000
OCTOBER	\$2,000	\$4,000	\$8,000	OCTOBER	\$3,000	\$6,000	\$12,000
NOVEMBER	\$2,000	\$4,000	\$8,000	NOVEMBER	\$3,000	\$6,000	\$12,000
DECEMBER	\$2,000	\$4,000	\$8,000	DECEMBER	\$3,000	\$6,000	\$12,000
	\$24,000	\$48,000	\$96,000		\$36,000	\$72,000	\$144,000

Operational Plan

Once Cup of Sugar is established, work and maintenance can be completed remotely with hybrid touch bases when necessary. Daily operations require:

- Application maintenance and updates
- Cybersecurity
- Customer service
- Sales and marketing

Implementation Framework

THE LIVING PRINCIPLES: Four Streams of Integrated Sustainability

ENVIRONMENT: Actions and issues that affect natural systems, including climate change, preservation, carbon footprint and restoration of natural resources.

Behaviors

- Cup of Sugar seeks to change ingrained behaviors surrounding food waste on a residential level. Significantly decreasing food wasted at home by distributing surplus items and requesting ingredients will decrease greenhouse gas emissions and reduce household carbon footprint.¹⁰
- When expanded via partnerships with retailers, Cup of Sugar will provide retailers with a solution for their surplus food thereby reducing greenhouse gas emissions and carbon footprint.

Creation

- Cup of Sugar does not require a central headquarters and avoids the environmental and financial costs of maintaining a building/workplace environment.
- While Cup of Sugar is not a physical item, there are environmental costs equated with successfully launching and maintaining a digital application.

Durability

- Cup of Sugar will be launched with the understanding that it will expand and evolve as the market demands. Continued maintenance of the app and development of added features will ensure the app adapts to fit consumer needs.

Disassembly

- As a digital application, disassembly is not directly applicable to Cup of Sugar.

Supply chain

- Suppliers and partners will be selected per their adherence to or mindfulness of sustainable initiatives. They need to demonstrate a commitment to decreasing their environmental impact. Examples include:
 - ISO 14000 compliance

- Transparency in environmental progress and goals
- Involvement in local organizations or movements

Waste

- Cup of Sugar's main goal is to decrease residential food waste and provides a way for users to actively do so.
- Potential partners and suppliers need to demonstrate a commitment to their own waste reduction efforts,

PEOPLE: Actions and issues that affect all aspects of society, including poverty, violence, injustice, education, healthcare, safe housing, labor and human rights.

Impacts

- Food waste impacts households across all income levels and demographics. Cup of Sugar fosters resource distribution by providing a platform for sharing surplus food as well as preventing overbuying for missing ingredients or those needed in small amounts.
- Resource sharing inherently builds community amongst users that starts at the food waste level and can grow into other areas.

Conflicts

- While Cup of Sugar could impact food insecurity, the nature of sharing amongst a potential variety of demographics could highlight inequalities.

Desirability

- Cup of Sugar strives to combat residential food waste by building a deeper connection within existing communities.
- It seeks to redistribute food via a safe and secure platform.

Need / use

- The app provides a way to distribute surplus food
- It provides a platform for requesting ingredients
- In the future, could provide the opportunity for retailers to distribute food surplus at a discounted rate

Long view

- Cup of Sugar will build stronger communities within the buildings it is employed.
- Users will experience a reduction in household food waste.
- The app gives food waste visibility by providing a platform for users to directly influence their personal and their neighbors' wasting behaviors

ECONOMY: Actions and issues that affect how people and organizations meet their basic needs, evolve and define economic success and growth.

Systemic view

- Within the food system, households are significant contributors to food waste in the United States. Addressing waste at the consumer level presents the opportunity to ladder up to the retailer level before moving up the supply chain.
- Cup of Sugar directly impacts the main causes of residential food waste—surplus/overbuying and spoilage—that impact household financials and carbon footprint.

Metrics

- Cup of Sugar will track user activity and provide estimates for:
 - Food saved/recovers
 - Emissions avoided
 - Money recovered
- A future gamification feature could measure usage and participation for each user

Benefits

- Reducing amount of food wasted within a household
- Reduced food costs from avoiding overbuying
- Reduced household carbon footprint

Transparency & truth

- The app will share up-to-date reporting of user and community participation
- Cup of Sugar will maintain transparency about organization and partners

Waste=food

- It's Cup of Sugar's guiding principle!

From product to service

- Cup of Sugar functions as a service with no plans to develop a physical product.

CULTURE: Actions and issues that affect how communities' manifest identity, preserve and cultivate traditions, and develop belief systems and commonly accepted values.

Visions

- Using the app has the opportunity to change minds, attitudes, and behaviors surrounding residential food waste
- Users will develop and strengthen their existing communities
- Provide opportunities for retailers to distribute their surplus
- Offer gamification to incentivize users to participate

Meanings & reactions

- Not everyone will be interested in building community via food and 100% resident participation is not expected.
- Some users may have privacy concerns which will be alleviated by cybersecurity measures
- Some potential users may be unwilling to share or admit role in food waste problem.

A systemic view

- Cup of Sugar offers a way to strengthen community within complex living situations
- For landlords/building owners: Participation in the app could be a selling point for potential residents due to the strong community
- Using the app will foster the sharing of surpluses and cement a culture that prioritizes helping each other out

Diversity

- Food is a common language and provides a pathway for exchange outside of demographics
- Strengthen bonds between community members and create connection points for users to become acquainted with each other
- This sharing behavior already exists amongst many communities and expanding to a larger community presents opportunities for diversity to prosper.

Production

Developing and maintaining the app will make up a significant part of the production process. Production areas include:

- **Concept development:** This first step will develop the backbone of the app's functionality. After exploring the potential user base and evaluating potential features, the concept development team will create the roadmap for developing the app.
- **Application development and maintenance:** Using the concept plans, the app will be built with high functionality based on user needs and present an intuitive user experience.
- **Marketing and content development:** Cup of Sugar will need to both market itself and present itself as a leader in the space. Marketing efforts will be supplemented with thought leadership pieces to establish expertise.
- **Customer service:** As a user-to-user based experience, a dedicated customer service team is imperative to ensure a smooth app experience.
- **Financial consultant:** As a free app, Cup of Sugar will need to utilize financial consultants to maintain their finances that guide sponsorship strategies.

- Cybersecurity: Maintaining high privacy and security settings are necessary to inspire user good faith when using the app.

Location

As an application, Cup of Sugar does not require production space. Employees can work remotely, but Cup of Sugar will utilize co-working spaces when a more formal environment is required.

Access

Co-working space will be convenient for employees.

Cost

Daily pass at co-working space: \$55

Legal Environment

As a mobile application, Cup of Sugar will need to adhere to a number of regulations and rules including:

Safeguards Rule¹¹

The Safeguards Rule exists:

- to ensure the security and confidentiality of customer information
- to protect against anticipated threats or hazards to the security or integrity of that information; and
- to protect against unauthorized access to that information that could result in substantial harm or inconvenience to any customer.
- Actions include:
 - Designate a Qualified Individual to implement and supervise your company's information security program
 - Conduct a risk assessment.
 - Design and implement safeguards to control the risks identified through your risk assessment.
 - Regularly monitor and test the effectiveness of your safeguards
 - Monitor your service providers
 - Keep your information security program current
 - Create a written incident response plan
 - Maintain information security program

Relevant Statutes and Regulations¹²

- Electronic Communications Privacy Act
- Stored Communications Act
- Computer Fraud and Abuse Act

FTC Green Guides

Application will not make eco-friendly claims and rather speak to reduction of waste at home. Any provided waste avoidance statistics will be based on factual equivalencies.

Insurance

- Business liability
- Commercial general liability (CGL) policy
- Technology errors and omissions liability
- Cyber liability insurance

Personnel

Business will start with a limited number of employees with eyes to expand.

- Leading Principle (salary)
 - Visionary and company leader
- Application Development and Maintenance (salary)
 - Develops app and new features and maintains them
- Marketing and Relationship Development (salary)
 - Promotes company via marketing channels and develops relationships with potential partners or sponsors
- Customer service (hourly)
 - Handles customer questions and concerns
- IT (hourly)
 - Supports developer and internal technology needs
- Legal (contract)
 - Provides legal counsel

Inventory

Not applicable

Suppliers

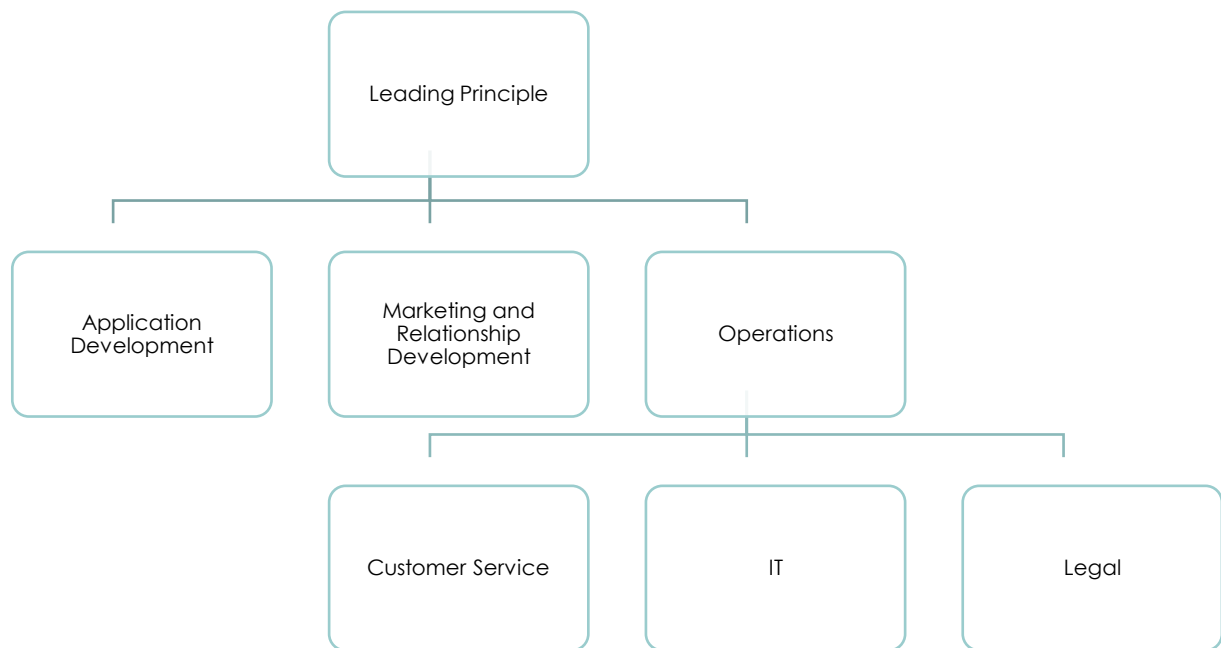
Cup of Sugar will have little need for suppliers at launch. The company will employ financial and legal consultants as necessary to maintain smooth functioning.

Credit Policies

Cup of Sugar will not offer credit to users.

- Accounts Receivable: Subscription based, billed monthly or yearly. Access to app restricted with non-payment.
- Accounts Payable: Operate on Net 60 at launch

Management and Organization



Professional and Advisory Support

- Key Advistor/Mentors
- Attorney
- Accountant
- Insurance Agent
- Consultants

Startup Expenses and Capitalization

Start-up Expenses

Rate for local app developer is \$60/hour. Expect development to take a minimum of 9 months with launch at 12-18 months.



Typical Agency price

Cost per hour



Local Developer- \$60 / hour

Total first year cost

\$ 177,096

Hours	2,912
Monthly	\$ 198
Custom Dev	\$ 163,680
Setup	\$ 11,040

- Startup Costs: \$177096

Capitalization

Cup of Sugar will function as an LLC with the potential to split ownership. Before launch, the company will seek grants, sponsorship, or crowdfunding in order to acquire startup capital.

Financial Plan

This financial plan uses hypothetical numbers pull from the Online Services Business Plan provided by Bplans.¹³

12-Month Profit and Loss Projection

As a startup, free-to-use app, Cup of Sugar expects to operate at a loss for its first year.

Sales	\$200,000
Direct Cost of Sales	\$100,000
Other	\$5,000
TOTAL COST OF SALES	\$105,000
Gross Margin	\$95,000
Gross Margin %	47.50%
 Expenses	
Payroll	\$95,652
Sales and Marketing and Other Expenses	\$23,400
Depreciation	\$0
Research and Development	\$15,000
Utilities	\$600
Insurance	\$600
Rent	\$2,400
Payroll Taxes	\$14,348
Other	\$0
TOTAL OPERATING EXPENSES	\$152,000
 Profit Before Interest and Taxes	 (\$57,000)
EBITDA	(\$57,000)
Interest Expense	\$0
Taxes Incurred	\$0
 Net Profit	 (\$57,000)
Net Profit/Sales	-28.50%

Projected Cash Flow

Cash Flow is expected to be tight within the first year of operation until more secure sources of revenue are acquired.

Cash Received	
Cash from Operations	
Cash Sales	\$50,000
Cash from Receivables	\$120,500
SUBTOTAL CASH FROM OPERATIONS	\$170,500
 Additional Cash Received	
Sales Tax, VAT, HST/GST Received	\$0
New Current Borrowing	\$0
New Other Liabilities (interest-free)	\$0
New Long-term Liabilities	\$0
Sales of Other Current Assets	\$0
Sales of Long-term Assets	\$0
New Investment Received	\$36,000
SUBTOTAL CASH RECEIVED	\$206,500
 Expenditures	
Expenditures from Operations	
Cash Spending	\$95,652

Bill Payments	\$147,562
SUBTOTAL SPENT ON OPERATIONS	\$243,214
Additional Cash Spent	
Sales Tax, VAT, HST/GST Paid Out	\$0
Principal Repayment of Current Borrowing	\$0
Other Liabilities Principal Repayment	\$0
Long-term Liabilities Principal Repayment	\$0
Purchase Other Current Assets	\$0
Purchase Long-term Assets	\$10,000
Dividends	\$0
SUBTOTAL CASH SPENT	\$253,214
Net Cash Flow	(\$46,714)
Cash Balance	\$5,786

Opening Day Balance Sheet

Assets	
Current Assets	
Cash	\$5,786
Accounts Receivable	\$29,500
Other Current Assets	\$5,000
TOTAL CURRENT ASSETS	\$40,286
Long-term Assets	
Long-term Assets	\$10,000
Accumulated Depreciation	\$0
TOTAL LONG-TERM ASSETS	\$10,000
TOTAL ASSETS	\$50,286
Liabilities and Capital	
Current Liabilities	
Accounts Payable	\$14,786
Current Borrowing	\$0
Other Current Liabilities	\$0
SUBTOTAL CURRENT LIABILITIES	\$14,786
Long-term Liabilities	\$0
TOTAL LIABILITIES	\$14,786
Paid-in Capital	\$152,600
Retained Earnings	(\$60,100)
Earnings	(\$57,000)
TOTAL CAPITAL	\$35,500
TOTAL LIABILITIES AND CAPITAL	\$50,286
Net Worth	\$35,500

Break-Even Analysis

Monthly Revenue Break-even	\$25,333
Assumptions:	
Average Percent Variable Cost	50%
Estimated Monthly Fixed Cost	\$12,667

Next Steps

Situation

Residential food waste is a growing concern that has growing visibility as consumers begin to reflect on sustainable behaviors in their own lives. While food waste occurs at all levels of the supply chain, households currently account for 40% of the food waste that occurs in the United States.¹⁴ Because retailers encourage shoppers to purchase more than they need or sell only in large quantities, they influence and reinforce behaviors that cause food waste.¹⁵ This overbuying leads to an abundance that spoils before it can be used.

Target

Consumers becoming more interested in addressing their food waste at home creates an opportunity to aid in this goal. Cup of Sugar creates a platform that is similar in functionality to familiar social media apps but focuses on a unique set of objectives: combatting residential food waste through community building.

Goals

- Achieve 90% resident participation in buildings using the service
- Have a presence in the top 10 cities with apartment complexes
- Reduce food waste by 50% in participating households

Path/Proposal

Cup of Sugar has the potential to radically change consumer approaches to excess food while inspiring deeper relationships with their neighbors. However, a number of apps currently exist that offer some of the functionality as Cup of Sugar, but not all. Additional research is needed to learn more about the growth and success of these existing apps in order to better identify barriers to participation and optimize app functionality.

Additionally, there isn't a clear strategy for generating revenue via a free-to-use app. More time needs to be spent on developing paths for income, including sponsorship and investors, to ensure the app maintains a high level of functionality and delivers on consumer expectations.

End Notes

¹ (ReFED n.d.)

² (Conrad, et al. 2018)

³ (Drake 2022)

⁴ (ReFED n.d.)

⁵ (Wunsch 2022)

⁶ (ReFED n.d.)

⁷ (Dorger 2020)

⁸ (Lovick 2021)

⁹ (Walter 2019)

¹⁰ (Environmental Protection Agency 2022)

¹¹ (Federal Trade Commission 2022)

¹² (Macedo and Zemsky n.d.)

¹³ (Bplans n.d.)

¹³ (ReFED n.d.)

¹⁴ (ReFED n.d.)

¹⁵ (Quinton 2019)

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