

Sarah Morrison Cup of Sugar App

Making the Business Case
MCAD-MASD Fall 2022

Business Idea: Cup of Sugar App

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

This app would connect communities to combat food waste together. Inspired by the better parts of Nextdoor, Cup of Sugar would allow 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.

- What Is Food Share And How Can You Get Involved?
- Olio is an app built on a very similar idea. It started in the UK and has limited reach in the US (there are 19 people on in the app in my general area, but there hasn't been any recent activity). But they're also started in gain ground. How might this idea differentiate itself?

Is this app building on an idea or recycling it?

This app would be reliant on an active community. What would ensure its successfully adopted? What are the barriers and how do they impact participation and reach?

(Color code the names here and have team members use that color for their text if individual team members want to identify their stickies contributions. Otherwise, everyone can use black text.)

Team Leader: Sarah

Your Team: **Jennifer**, **Michelle**

KP | Key Partners

- Users
- Grocery stores
- Other food-related retailers
- Restaurants
- Community-based apps

KA | Key Activities

- Request and Share functionality
- Algorithm automatically connecting requesters with sharers
- Notifications for new requests/new items available
- Alerts for new grocery offerings
- Community stream
- Connect with common users

KR | Key Resources

- App developers and maintenance
- Employees
- Users
- Investors/funding
- Partners/collaborators (i.e. grocery)
- IP protection
- Security protocol and data protection

VP | Value Propositions

- Building community
- Foster meeting with neighbors
- Resource and knowledge sharing
- Decreased food waste
- Source missing ingredients
- Share tips/tricks/recipes
- Get food/give food
- Potential benefit if tied in with grocery provider

CR | Customer Relationships

- Foster connections between users
- Vet identities and ensure safety for users
- Provide a feed for users to share thoughts/tips/recipes in addition to sharing/requesting
- Gamify system to incentivize participation

CH | Channels

- App-based
- Social media
- Grocery collaborations
- Influencers
- Community centers
- Apt common areas

CS | Customer Segments

- Neighborhoods and communities
- Apartment buildings/complexes
- Dorms
- Single people
- Families
- People uncomfortable with:
 - cooking
 - ingredients
 - food management

C\$ | Cost Structure

- Employee wages
- App maintenance
- Cybersecurity and identity protection services

R\$ | Revenue Streams

If trying to keep app free for users:

- Advertising revenue
- Partner with grocery stores who pay to have a presence on the app to advertise sales, push alerts on real time sales
- Buildings/landlords pay a yearly fee to provide service to residents

If not, charge users a monthly/yearly subscription.

CS | Customer Segments

- For whom are we creating value?
- Who are our most important customers?

MARKET TYPES:

Mass Market
Niche Market
Segmented
Diversified
Multi-sided Platform

Sarah: Really like this

Michelle: people living in close communities, such as apartment buildings or dorm rooms

Sarah: Neighborhoods and communities

Michelle: Also people who are single, and do not have a lot of certain ingredients in their homes

Sarah: Families

VP | Value Propositions

- What value do we deliver to the customer?
- Which one of our customer's problems are we helping to solve?
- What bundles of products and services are we offering to each
- Customer Segment?
- Which customer needs are we satisfying?

CHARACTERISTICS:

Newness
Performance
Customization
"Getting the Job Done"
Design
Brand/Status
Price
Cost Reduction
Risk Reduction
Accessibility
Convenience/Usability

Michelle: being able to share food and not letting it go to waste

Michelle: building community, by getting to know your neighbors

Sarah: Build community, support neighbors

Sarah: Prevent food waste by passing unused items to someone who will

Michelle: being able to ask for ingredients in a pinch without having to run out to the store (convenience)

Sarah: Build community in areas that can be segregated (i.e. apartment and dorm complexes)

CH | Channels

- Through which Channels do our Customer Segments want to be reached?
- How are we reaching them now?
- How are our Channels integrated?
- Which ones work best?
- Which ones are most cost-efficient?
- How are we integrating them with customer routines?

CHANNEL PHASES:

1. Awareness

How do we raise awareness about our company's products and services?

2. Evaluation

How do we help customers evaluate our organization's Value Proposition?

3. Purchase

How do we allow customers to purchase specific products and services?

4. Delivery

How do we deliver a Value Proposition to customers?

5. After sales

How do we provide post-purchase customer support?

Sarah: Agree on app

Michelle: an app would be the best choice

Sarah: Social media

Michelle: can advertise on social media- instagram seems like a perfect place

**Sarah:
Partnership/collaboration with delivery/grocery services**

Sarah: Community centers

- App-based
- Social media
- Grocery collaborations
- Influencers
- Community centers
- Apt common areas

CR | Customer Relationships

- What type of relationship does each of our Customer Segments expect us to establish and maintain with them?
- Which ones have we established?
- How are they integrated with the rest of our business model?
- How costly are they?

EXAMPLES:

Personal assistance
Dedicated Personal Assistance
Self-Service
Automated Services
Communities
Co-creation

Michelle: although not a cost structure- people could gain “points” for the more they contribute, sort of like an uber rating

Michelle: initially until people join the app, there are limited selections, in order to keep users engaged, there could be recipe offerings

Michelle: there is an expectation maybe of privacy/safety with connecting strangers

Sarah: Foster connections

Sarah: Vet identities and ensure safety

Sarah: Socializing aspect available via feed

Sarah: Promote food focused community events

Sarah: If thinking about grocery partnership, potential red flags surrounding stigma of discounted foods. Premium/upscale grocers may be preferred target over mainstream due to quality perceptions

R\$ | Revenue Streams

- For what value are our customers really willing to pay?
- For what do they currently pay?
- How are they currently paying?
- How would they prefer to pay?
- How much does each Revenue Stream contribute to overall revenues?

TYPES:

*Asset sale
Usage fee
Subscription Fees Lending/Renting/Leasing
Licensing
Brokerage fees Advertising*

FIXED PRICING:

*List Price
Product feature dependent Customer segment dependent Volume dependent*

DYNAMIC PRICING:

*Negotiation(bargaining)
Yield Management Real-time-Market*

Sarah: Membership fee to use service

Michelle: the money will come from a month fee to use the app. Fixed price

Sarah: Perhaps partner with grocery stores to share when soon-to-expire foods are available at a deep discount....retailers would pay fee to post/share (in return, users would shop at the stores)

Sarah: Ad revenue—perhaps allow stores to advertise sales/promotions

Sarah: This would likely be most meaningful from premium/upscale grocers (e.g. L&B or Kowalski's in MN). Higher quality is expected so food that's nearing its end of freshness is still seen as "better" than offerings from other stores.

KR | Key Resources

- What Key Resources do our Value Propositions require?
- Our Distribution Channels?
- Our Customer Relationships?
- Our Revenue Streams?

TYPES OF RESOURCES:

Physical
Intellectual (brand patents, copyrights, data)
Human
Financial

Michelle: developers to create the app

Sarah: App development and maintenance

Sarah: IP protection (avoid similar apps (e.g. nextdoor) from offering similar services—maintain differentiation

Sarah: Employees

Michelle: chefs to come up with recipe ideas.

Sarah: Users

Sarah: Investors/funding

Sarah: Partners/collaborators

KA | Key Activities

- What Key Activities do our Value Propositions require?
- Our Distribution Channels?
- Our Customer Relationships?
- Our Revenue streams?

CATEGORIES:
Production
Problem Solving
Platform/Network

Michelle: speed and options to be able to connect people for what they need. If its too cumbersome, the app won't be widely used

Sarah: Great point—urgency is a huge factor for an app like this

Michelle: the app options could have two separate options of “ingredient search/share” and “meal search/share”

Sarah: Utilize these two options/paths, but app algorithm connects people automatically when a match is made

Sarah: Easy way to respond; limit barriers and allow on app/AI to do most of the heavy lifting when making connections

Sarah: Marketing and outreach

Michelle: although not a cost structure—people could gain “points” for the more they contribute, sort of like an uber rating

KP | Key Partners

- Who are our Key Partners?
- Who are our key suppliers?
- Which Key Resources are we acquiring from partners?
- Which Key Activities do partners perform?

MOTIVATIONS FOR PARTNERSHIPS:

Optimization and economy

Reduction of risk and uncertainty

Acquisition of particular resources and activities

- Request and Share functionality
- Algorithm automatically connecting requesters with sharers
- Notifications for new requests/new items available
- Alerts for new grocery offerings
- Community stream
- Connect with common users

Michelle: Key suppliers are the users! There needs to be some incentive in the beginning to share on the platform, so maybe discount codes for other companies (such as Hello Fresh, etc)

Sarah: Grocery stores and food related retailers

Sarah: Users, especially power users (i.e. influencers) to generate interest

Michelle: Could partner with other community based apps, to get people connected with similar interests that are related

Sarah: Potential to sell IP/functionality to more successful community/P2P focused apps/services

Sarah: Perhaps engage with local restaurants to offer meals/ingredients that can't be used, for whatever reason.

C\$ | Cost Structure

- What are the most important costs inherent in our business model?
- Which Key Resources are most expensive?
- Which Key Activities are most expensive?

IS YOUR BUSINESS MORE:

Cost Driven (leanest cost structure, low price value proposition, maximum automation, extensive outsourcing)

Value Driven (focused on value creation, premium value proposition)

SAMPLE CHARACTERISTICS:

Fixed Costs (salaries, rents, utilities)

Variable costs

Economies of scale

Economies of scope

Michelle: fixed app use cost per month

Sarah: Employee wages

Sarah: Potential subscription fee (could be a barrier to use)

Sarah: App maintenance

Michelle: although not a cost structure- people could gain “points” for the more they contribute, sort of like an uber rating

Sarah: Cybersecurity and identity protection/confirmation services