
WonTonGorm84u, LLC
One Call Away Food Truck Serving Gourmet Chinese Flavors To
Buffalo's Higher Education Communities

Business Plan Presentation
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For Bus.365: Entrepreneurship
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(* Any correspondence to a living person is, purely, accidental)

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The Business Proposal and Purpose of the Presentation

WonTonGorm84u, LLC is a, primarily, Chinese-brand, *fast-casual* and *convenience* positioned, food truck proposed for the Buffalo State College (BSC), and University at Buffalo (UB) north campus areas. It will sell authentic, gourmet, Chinese food and provide door-to-door delivery, on request, at competitive prices to members of the campus communities who would, otherwise, have to make a special trip in order to access our specialty type of menu.

WonTonGorm84u, LLC, has written the business plan abridged here, and is making this *private* presentation to request \$100,000 equity investment in exchange for a 15% equity stake in the company. If a straight equity deal cannot be agreed upon, WonTonGorm84u will entertain a 60-month venture debt for which it would pay interest at 3.5% p.a. The organizers of WonTonGorm84u, LLC, Jian Wen Wu and associates, project that the proposed business operations would generate sufficient profit and cash flow to repay any debt assumed (see attached *pro-forma* financial projections at the end of this presentation)

The requested funds are intended to be used in augmenting the founders' funds to acquire and outfit our initial two food trucks and pay other start-up costs itemized in the attached "Schedule of Startup Costs."

Target Market/Customers and Their “Pain Points”

To begin, **WonTonGorm84u** will target the present, roughly 18,000 UB north students and 2,000 BSC (18~30 year old) students who live on campus.

The need of every living being, including our target, for food or proper nutrition (that WonTonGorm84u seeks to satisfy), is, of course, obvious.

The other critical pain points our targets have that WonTonGorm84u is being organized to address include:

I. The winter in Buffalo, NY, can last up to 6 months; no one relishes to go out to buy food in the heavy snow. Yet, young people do get bored and tired of eating the limited menu options available from the entrenched campus food courts. The on campus dining option is limited and expensive, and after a while, it does not taste as good, thus leaving much to be desired.

II. The closest 18+ hours restaurant (Denny's) is 1.5 miles away from each campus. It is not always safe to go there at night in Buffalo because of a menace of random gun violence in the area, and Denny's does not offer a delivery option.

III. There is no quality conveniently available Asian food to satisfy the student community (our target market) which craves and can afford our offerings, comparable to the easy availability of Italian and Mexican cuisines catering to the palates of their connoisseurs or aficionados in the student community.

Industry/Market Analysis: The U.S. Food Trucks Industry/Market

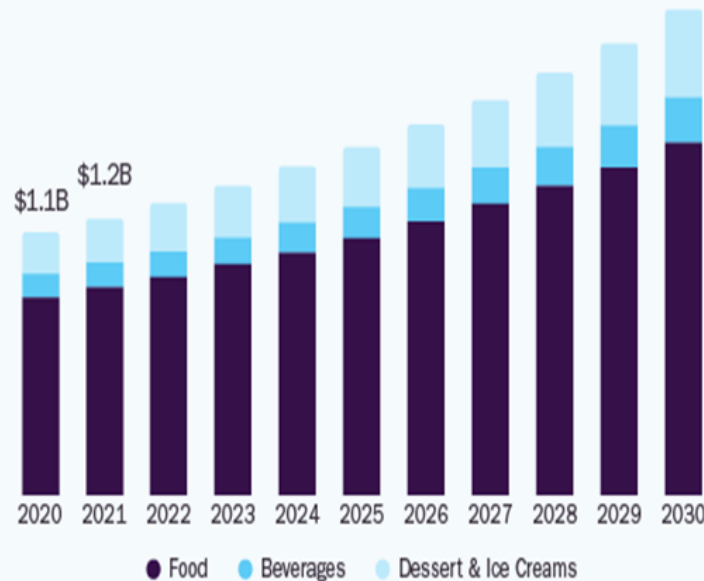
- According to National Restaurant Association and IBISWorld, the Food Trucks industry has expanded over the five years to 2020 and is one of the best-performing segments in the broader food service sector.

Food Trucks Market Report Scope

Report Attribute	Details
Market size value in 2021	USD 4.11 billion
Revenue forecast in 2028	USD 6.63 billion
Growth rate	CAGR of 6.8% from 2021 to 2028
Base year for estimation	2020
Historical data	2016 - 2019
Forecast period	2021 - 2028
Source of the above data is GrandviewResearch.com	https://www.grandviewresearch.com (accessed April 24, 2024)

U.S. Food Truck Services Market

size, by offering, 2020 - 2030 (USD Billion)



6.4%

U.S. Market CAGR, 2022 - 2030

Source: www.grandviewresearch.com

2020 US Food Truck Industry Statistics (Source: attributed to IBISworld.com and the National Restaurant Assn.)	Data
Industry annual food truck revenue	\$1,200,000,000
Annualized Avg. Industry Growth 2015-2020 (before COVID-19)	7.50 %
Average revenue generated per food truck	\$467,000
Average spending per order at a food truck	\$10.00 - \$15.00
Average cost of food truck	\$123,000
Average startup cost	\$100,000

<https://www.smallbizgenius.net/by-the-numbers/food-truck-industry-stats/>

- Starting a food truck business costs about \$55,000 on average.
- Yearly food truck revenue ranges between \$250,000 and \$500,000.
- Gathering the required permits and licenses takes 30-plus days.
- There are over 35,000 active food trucks in the US.
- More than 40,000 people work in the food truck industry.
- The average annual food truck industry growth before COVID-19 was 7.5%.
- The food truck market size in 2022 surpassed 1.2 billion dollars.
- Over 34% of food truck chefs regularly experiment with their menu.
- Food truck industry statistics for 2022 predict a yearly growth of 3.4%.

Industry/Market Analysis: The WNY Food Truck Industry/Market

WNYfoodtruck.com lists, in alphabetical order, 80 food truck companies (in 2021, see “Food Truck Directory,” <https://www.wnyfoodtrucks.com/trucks>) operating in WNY, the geographical location of our target market. According to *Buffalo Business First* (BBF) Food Trucks List (April 28, 2019), the “largest Buffalo food trucks ranked by 2018 events,” (top three) are: (1) *Lloyd Taco Trucks & Catering* (LTTC)—2,002 events; (2) *Cheesy Chick LLC*—1,251 events; and (3) *The Great Foodini*—759 events (see <https://www.bizjournals.com>). However, in its most recent ranking based on 2020 events, BBF reports (see <https://www.bizjournals.com/buffalo/subscriber-only/2022/04/29/largest-buffalo-food-trucks.2022.html>) that the top three positions changed with *Cheesy Chick Food Trucks & Café* as #1 (2,100 events), *Lloyd Taco Trucks & Catering* as #2 (350 events) and *Kona Ice of South Buffalo* (replaced *The Great Foodini*) as #3 (240 events). All of this suggests a rather saturated (given the geographical area served) and fragmented food truck industry with relative ease of entry/exit and intense competition.

The industry participants adopt both cooperative and competitive strategies simultaneously. Participants cooperate through membership in, and joint or shared promotion through, the *Buffalo Food Truck Association*. This cooperation is facilitated by the high specialization of participants in culinary niches such as Pizza, Tacos, Buritos, BBQ, Vegan, Desserts...that are differentiated in the buyers’ minds—only the channel of delivery is common. And, to the extent that Buffalo weather interferes with conditions making for unstable year-round income from food trucks (*Buffalo First’s* survey found that “only 46 percent of [their] respondents earn half or more of their total income from their trucks”) some operators such as, The Louisiana Cookery, and LTTC, complement food truck operations with brick-and-mortar operations. LTTC has, evidently, relinquished its longstanding dominance of the Buffalo NY food truck space by downsizing the food trucks business model while broadening its inroads into more traditional food service areas including catering, frozen foods (distributed through Walmart and BJ’s) and sit-in restaurants at Hertel Ave. and Main Street, in Williamsville, NY. From a slightly different vantage point, some of the brick-and-mortar establishments including Anderson’s, Just Pizza, Chef’s, and UB’s affiliated Campus Dining and Shops, have tweaked their business models by entering the food truck segment during the summer months adding to the saturation. “About 58 percent of the respondents to the *Business First* Food Trucks List feel the number of trucks in Western New York is just right. Another 39 percent feel there are too many, with only 3 percent feeling there’s room for more.”

Industry/Market Analysis: Competing in “our” WNY Food Truck Target Market

One of the earliest and top-ranked food truck companies in the Buffalo area, LTTC, used to claim our territory but it is no longer fiercely competing in our specific chosen target market territory. But, even if it does not directly compete for our target market anymore, we must still understand why the company succeeds in WNY since it is still top-ranked “No.2” in WNY at this time (2024). LTTC seems to be pursuing both food truck and traditional Brick-and-Mortar business models simultaneously as discussed in the previous slide. LTTC’s competitive edge is its first-mover advantage, name recognition and diversified operations. But the company offers only tacos, burritos, el caminos, and nachos, none of which is part of our menu. Its service is limited to the fixed truck position area where it is parked, whereas we will offer a wider, Chinese-brand menu and entertain “delivery” orders which we expect to increase the size of the order both in variety and dollar amount per order. The now 1st and 3rd Buffalo *Business First* ranked Food Truck companies, Cheesy Chick Food Truck & Cafe, and Kona Ice of South Buffalo, do not operate in our chosen zip code areas. But entering our chosen UB-North area target now are, UB-Big Blue Food Trucks, and UB-Little Blue Food Trucks (UBB & UBL). There is no doubt that their entry into our target market using the partisan, proprietary and popular “UB” moniker gives them some edge, but we will compete based on the superiority of our business model which is anchored to our unique menu and unique delivery strategies. Besides, UBB & UBL extend the entrenched campus food offerings away from which some students crave occasional break: this allows for a foothold. Our indirect competitors are Burger King (at UB campus), Denny’s, and McDonalds which are far from the two campuses, but none of these offers a “delivery service.” We believe that success will be facilitated by not only our business model but our careful execution of it.

Food trucks are trendier than the brick-and-mortar fixed location restaurants in this COVID-19 pandemic era that calls for social distancing and a cautious attitude toward indoor congregating or seating. Food truck operating characteristics of taking the business to the customer and the open-air service also provide a momentary competitive advantage. We will explore to partnering with Doordash and UberEATS and keep a “harvest” strategy in mind as we search for a scalable, sustainable business model in the food truck industry.

WonTonGorm84u's Competitive Advantage

Product and Pricing

Tasty

- Authentic gourmet Chinese food
- Prepared by Michelin 3 Star level Chef
- Other tasty dishes suggested by our patrons

Competitively Priced for the College Crowd

- Cheapest dining plan at the official campus food venues is: \$2,380 (10 meals/week plan)
- By contrast, dining plan at our truck will be \$1890 – (21 meals/week plan)
- Our price will be \$6~\$8.50 per serving, and we anticipate achieving \$10-\$15 per order)

Convenience

- We will be the sole company that provides 18-hour food delivery at area institutions of higher learning starting with BSC and UB.
- ***We will be right at your campus door!*** The closest 18⁺hour (Restaurant) Denny's is 1.5 miles away.

Marketing & Selling: Advertising, Promotion & Public Relations

We do not intend for *WonTonGorm84u* and the value it will provide to our target to languish as the best kept secret in our chosen territory; our target must always be made aware of our presence and to find our value proposition (VP) compelling enough to be regarded as a must patronize solution or outfit.

Our offerings will be of impeccable quality and taste, and we will provide courteous service to our patrons in all our interactions with them.

To get a foothold, we will design and distribute eye-catching flyers announcing our pending arrival some two weeks before our launch date. A limited number of the flyers will have numbered coupons to be tendered for free samples from our menu—this is intended as a promotional tactic to drive potential patrons to give us a try. Those tendering the coupons will be issued punchable cards they could present each time they return. A fully punched card will entitle the bearer to a free choice from our menu. We will keep tab of repeat visits from the coupon users in order to assess its effect.

To generate publicity, we will send, by all means that we can access, all the TV and other media around us, communication about the new establishment. We intend to establish a presence on the web (see below) and in the Social Media—Facebook, Instagram, X (Twitter), Flickr,... We will appeal to campus influencer organizations by advertising in their publications, and, when we can afford it, by contributing to their causes. We will maintain visibility with an attractive logo embossed on T-shirt which staff members will wear and which will be available for sale and for gifting to our ardent patrons. We will also use poster and billboard advertisements to continuously communicate our presence and VP.

Delivering the Value to our Patrons: Channels and Place

WonTonGorm84u will operate (with due permission) from the parking lot near the Student Apartment Complexes, but will deliver anywhere within each campus.

Our customers will have the following options to buy the food:

- **Delivery:** WonTonGorm84u receives telephone/online order 18 hours a day. The customer would need to pay at our website (*now under construction*) www.WonTonGorm84u.com before the delivery. A debit or credit card would be accepted.
- **Pickup:** from 7:00 AM to 10:00 PM, customers can pick up the food at our truck. Although the food truck will be open to the public, customers with valid area college ID can enjoy free soda or bottled water. Cash only. We will not promote a discount image so as not to distort the high-quality orientation we seek to project
- We are confident that our target is able (has the money) and willing (craves gourmet food variety) to purchase offerings from our menu. Every student has a meal plan that is paid for either through grants or scholarships or by parents. Each on-campus living student has a meal card which we will accept for use in paying for orders for our items.

Creating the Proposed Value: Sample Product & Processing: Chinese Roujiamo - the World's Oldest Burger/Sandwich



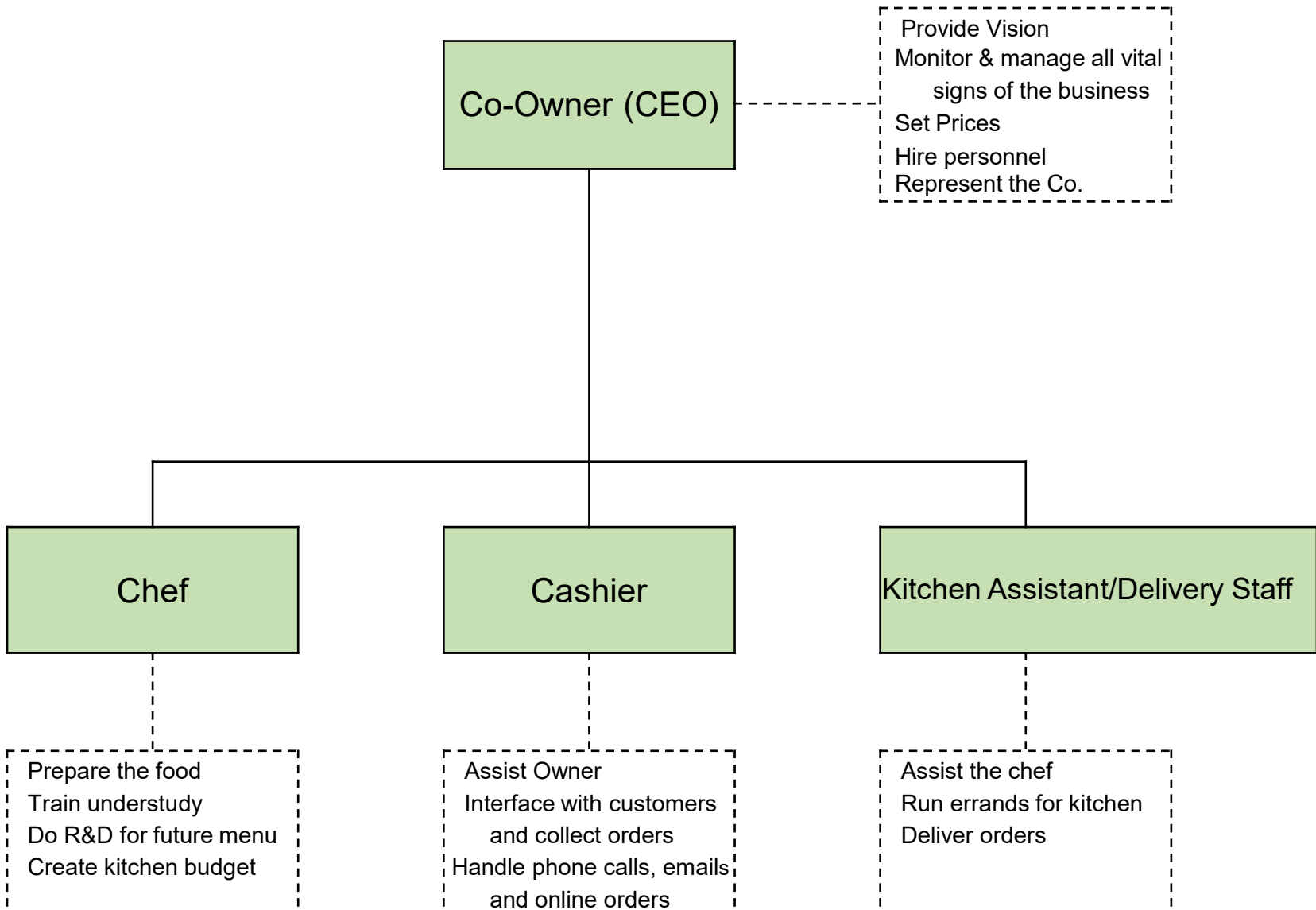
Our proprietary meat (most commonly pork or beef) preparation method was invented in 1045 BC. The meat is stewed for hours in a soup containing over 20 spices and seasonings. The bread's recipe dates back to the Qin Dynasty (221 BC - 206 BC). The popularity of this preparation is only surpassed by its longevity!

Easy and fast to make:

Total Prep. Time	Cook Time	Serves
2 hours	10 min	As many as planned

Source of the Picture: https://en.wikipedia.org/wiki/Rou_jia_mo

Key Management & Personnel



Risks and Contingency Plan

- **Risks:** Despite the very best plans that could be laid down for WonTonGorm84u, there is no guarantee relative to the future—this spells uncertainty and risk.
 - For example, the target customers might not patronize the business to the extent expected; the competition could prove more formidable than anticipated; necessary financing might not be available; and any range of other stakeholder actions, and/or economic, legal, regulatory, technological, or unforeseen catastrophic developments (e.g. COVID-related) could force the business to become untenable in the future.
 - Operations could be adversely affected by inefficiencies due to lack of timely, relevant information, poor judgment or execution errors. Critical personnel, such as the chef, could be incapacitated thus posing existential threat to the company.
- Our risk management strategy and contingency plan will consist of transferring those risks that are transferable to insurance companies through the purchase of necessary insurance coverage. This way, losses due to fires, accidents..., would be recoverable. We will join the Food Truck Trade association to keep abreast of current developments in the industry, as well as to participate in lobbying efforts to proactively confront threats from legal-political-regulatory forces. To ensure that we would continuously satisfy our customers, we will solicit, carefully process, and act on feedback from each patron with whom we interact. We will also vigilantly monitor our competitors to avoid being blindsided by their maneuvers. Through R&D, we will continually modify existing and even test new offerings so as to maintain and grow the customer base. The chef must always have an understudy who can substitute when he/she is unavailable.

Timeline and Milestone Schedules

Task Name	Year 1				Year 2				Year 3						
	M-1	M-2	M-3	Q-1	Q-2	Q-3	Q-4	Q-1	Q-2	Q-3	Q-4	Q-1	Q-2	Q-3	Q-4
Obtain/Raise Initial Funds	█	█	█	█											
Professional Consultations:	█	█	█												
Attorneys & Legal Format Filings	█	█													
Website/Social Media Design & Test.		█	█												
Accountants		█	█												
Obtain Permits, Licenses, Permissions	█	█													
Purchase, Outfit Food Trucks, Signage, Flyers				█											
Hire Personnel				█	█										
Advertising, Flyers, Promo		█	█	█	█	█	█	█	█	█	█	█	█	█	█
Purchase food & kitchen supplies				█	█	█	█	█	█	█	█	█	█	█	█
Rehearsals & Opening					█										
Operations						█	█	█	█	█	█	█	█	█	█
Search for Acquisitions Mergers or Harvest													█	█	█

Schedule of Startup Costs

<u>One-time start-up costs:</u>	
The purchase of the food truck (already up to code)	\$125,000
Vending permits and licensing	Permit - \$695 Food License - \$400
Professional, legal, and consulting fees	\$1,000
Initial food purchases	\$1,000 (weekly food costs)
Kitchen supplies	\$500
Fire Extinguisher	\$200
Website design	\$1,000
Initial advertising and Marketing	\$1,000
Tax Identification Number	\$52.00 (\$34.00 Business Tax, \$17.00 zoning fee and a \$1 state mandated fee)
Health Permit	\$500
Business Cards, logo, signage	\$250
Total Start-up Expenses:	\$131,597

The Financial Plan: Pro-Forma Financial Statements

Assumptions: WonTonGorm84u anticipates an average of 400 combined orders per week @ \$8.50 each; expects to operate for 48 weeks in the year. Therefore, \$163,200 would be our expected sales for the first year ending May 2025.

WonTonGorm84u personnel will work really hard to offer high quality products, services, and incentives in order to establish and nurture customer loyalty. On these bases, the company expects sales to grow 5% and 6.7% in the subsequent two years. These are lower than past industry average growth rates, but we are new and are trying to get a foothold! Also, we are mindful of potential disruptions such as, COVID-19. Therefore, by the second year, we would expect sales of \$171,360 and for the third year, \$182,841 plus another \$19,389 expected from forays into special events, e.g., food festivals, in the Buffalo-Niagara MSA, for a total third year projection of \$202,230.

We estimate our **total start-up costs to be \$131,597** (see “Financial Plan: Startup Costs,” below). From the founders’ savings, friends and family, we expect to raise around \$31,597, hence our request here for \$100,000.

Pro Forma Financial Information: Our anticipated operating results and financial conditions shown in the following Pro-forma Income Statements, Balance Sheets and Statements of Cash flows (see below) speak for themselves. Through careful execution of our business model, we expect to be profitable from our first year to the tune of 11% per sales dollar, 14% and 18% in the second and third years respectively (see the Pro-Forma Income or Operating Statements, below). Our sales will be in cash thus eliminating accounts receivable and bad-debt issues. With careful cash-flow management (see the Pro-Forma Statement of Cash Flows attached below), we will be able to service any reasonable debt that we take on (if it comes to that), or to have reasonable earnings in cash for distribution to our investors.

Financial Plan, WonTonGorm84u, LLC

Pro-Forma Income (Operating) Statements

Years	<u>2024-2025</u>	<u>2025-2026</u>	<u>2026-2027</u>
Expected Sales	\$163,200	\$171,360	\$202,230
Expenses:			
Vending Licenses, Permits, Tax ID.	\$1,147	\$1,170	\$1,193
Professionals' fees (accounting, legal...)	\$11,000	\$10,000	\$10,000
Utensils/Paper plates	\$2,400	\$2,400	\$2,600
Food Ingredients	\$50,000	\$51,000	\$57,000
Truck: Maintenance, Gas	\$8,600	\$8,600	\$8,800
Overnight Parking	\$2,400	\$2,400	\$2,400
Depreciation	\$19,000	\$19,000	\$29,000
Utilities	\$1,996	\$2,000	\$2,100
Advertising including website	\$2,500	\$1,000	\$1,000
Owner's Salary (given the LLC structure)	\$12,000	\$13,000	\$15,000
Employees Salaries	\$30,000	\$33,000	\$34,000
Miscellaneous: Insurance, uniforms	<u>\$3,500</u>	<u>\$3,000</u>	<u>\$3,000</u>
Total Expenses	<u>\$144,543</u>	<u>\$146,570</u>	<u>\$166,093</u>
Projected Net Income	\$18,657	\$24,790	\$36,137
Profit Margin -- Return on Sales	11%	14%	18%

Financial Plan, WonTonGorm84u, LLC

Pro-Forma Balance Sheets

Years	<u>2024-2025</u>	<u>2025-2026</u>	<u>2026-2027</u>
<i>Current Assets</i>			
Cash	\$7,457	\$34,447	\$51,084
Inventory of Food Ingredients	\$4,000	\$4,000	\$4,500
Total Current Assets	\$11,457	\$38,447	\$55,584
<i>Non-Current Assets</i>			
Food Truck	\$90,000	\$90,000	\$135,000
Less: Accum. Depre.-Food Truck	(\$18,000)	(\$36,000)	(\$63,000)
Food Truck, net	\$72,000	\$54,000	\$72,000
Cookware & Misc. Equipment	\$3,000	\$3,000	\$6,000
Less: Accum. Depr.-Equip	(\$1,000)	(\$2,000)	(\$4,000)
Cookware & Misc. Equipment, net	\$2,000	\$1,000	\$2,000
Total non-current assets	\$74,000	\$55,000	\$74,000
TOTAL ASSETS	\$85,457	\$93,447	\$129,584
<i>Liabilities & Owners' Equity</i>			
<i>Liabilities</i>			
Loan	\$16,800	\$0	\$0
Total Liabilities	\$16,800	\$0	\$0
<i>Owners' Equity</i>			
Owners' Investment	\$50,000	\$50,000	\$50,000
Retained Earnings	\$18,657	\$43,447	\$79,584
Total Owners' Equity	\$68,657	\$93,447	\$129,584
TOTAL LIABS. & OWNERS' EQUITY	\$85,457	\$93,447	\$129,584

Financial Plan, WonTonGorm84u, LLC

Pro-Forma Statements of Cash Flows

Years	2024-2025	2025-2026	2026-2027
<i>Cash Flows from Operating Activities</i>			
Net Income	\$18,657	\$24,790	\$36,137
Adjust for Depreciation	\$19,000	\$19,000	\$29,000
Deduct Increase in inventory of Food	(\$4,000)	\$0	(\$500)
Net Cash Provided from Operations	\$33,657	\$43,790	\$64,637
<i>Cash Flows from Investing Activities</i>			
Purchase of Food Truck	(\$90,000)	\$0	(\$45,000)
Purchase of Cookware & Misc. Equip	(\$3,000)	\$0	(\$3,000)
Net Cash Used in Investing Activities	(\$93,000)	\$0	(\$48,000)
<i>Cash Flows from Financing Activities</i>			
Loan	\$16,800	(\$16,800)	\$0
Equity Investment	\$50,000	\$0	\$0
Net Cash Provided from Fin. Activities	\$66,800	(\$16,800)	\$0
Net change in Cash	\$7,457	\$26,990	\$16,637
Plus beginning cash balance	\$0	\$7,457	\$34,447
Ending Cash balance	\$7,457	\$34,447	\$51,084