

Campus Concierge
Carleton College Start-Up Fellowship Competition 2016
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Executive Summary

What's better than receiving a personalized note from mom or dad with study snacks just in time for that big test? We know that sending packages across the country is expensive. That is why Campus Concierge gives parents of college students the opportunity to send affordable customized care packages to their students along with a personal message. Our service will also include a late-night snack-delivery service for students. The current options at most colleges are greasy and unhealthy burgers, chips, or pizza, which may contribute to the "freshman 15" that is so often spoke of. There is a need for healthy alternatives on college campuses and we can fill the void in the late-night snack market. We plan to offer a snack delivery service to help busy college students get through that final hour or two of studying. Campus Concierge will not only provide quality late-night snacks to students at an affordable price, but will offer a service that gives parents, siblings, relatives, or friends the ability to treat their student with the gift of a "study buddy" no matter how far away they might be. We will offer nutritious items such as dried fruits and assorted nuts among other items to give students energy and increase their focus.

Proposal Body

Students at higher education institutions across the nation are busy. They have strenuous course schedules and are often involved in a multitude of extracurricular activities. They face a huge problem of time management. How do they maximize their study time while staying energized and happy? We understand the immense value that students place on their time and for that reason, Campus Concierge provides services to do the help students so that they can focus on the other important things they need to get done. Our main focus will be on keeping students energized and happy by providing study snacks that will help students focus and retain information late at night. We plan on providing a late-night snack delivery service to students of colleges and universities. Carleton College is an ideal place to start because of the lack of diversity in convenient food options. The only two dining halls on campus have very limited hours and feature the same meal options from week to week. Students find it difficult to get the recommended daily value of fruits and vegetables through dining hall menu options. Additionally, the only current on-campus food service apart from the two dining halls, Sayles-Hill Cafe, closes at midnight during the week. There are often people who stroll in just as it is closing and are distraught when they realize they may have to order (and wait for) a pizza that night. Since the library is only open until 1am on weeknights, a large portion of the student body does not have any food options after midnight. Here we see another problem, most students find themselves working or studying until long after the cafe closes. Additionally, it is only conveniently located for about 20% of students living on campus. For the other 80% of the student body, venturing out in the frigid Minnesota temperatures at night is one of their few options for late-night food. The food that is offered is usually bland and unappetizing. This is where Campus Concierge comes in. Through our services, students can order healthy snacks to be delivered to any location on campus until 1:00 am on weekdays. They don't have to make the trek across campus in the cold for a to-go box of greasy food anymore. Instead of consuming food that gives students a temporary boost in energy, students will have the option of using our app to customize a snack pack with nutritious options right from their mobile phones. Shortly thereafter, the customized Study Buddy, consisting of 2-6 snacks and a drink, would arrive at their door. Students can stay in the warmth and comfort of their rooms or study spots, and focus on what they need to do, rather than wasting their precious time walking across campus and waiting for their food to be prepared. Students would benefit immensely from using our service.

At Carleton, the main competitor for late-night food delivery in Northfield is Domino's Pizza, which delivers until 2:00 am every night. Most other food establishments do not deliver past midnight or at all. To differentiate ourselves, we will offer a variety of healthy snacks to leave students feeling reenergized and able to continue their studies rather than lethargic or weighed down from oily, fried foods. We will also have a more modern and accessible ordering system than all of our competitors. We plan on providing snacks like hummus with pita chips, trail mix, cheese and crackers, yogurt pretzels, dried and fresh fruits, veggies, as well as coffee, tea, hot chocolate, apple cider and Powerade among other things. Our snack options will encourage good nutritional habits among students. Most parents of students would encourage an idea like Campus Concierge, which is why we will offer an option for parents to purchase credit on our website for their students to use whenever they are hungry or need some study energy. Parents will also have an option to send a snack "bundle" through our website to their child to give them some extra encouragement or energy just in time for "hell week" or a big midterm. At Carleton, 85% of the freshmen class is from somewhere other than Minnesota,

which is a good representation of the school in its entirety. Often times, parents who aren't able to see their kids over weekends or mid-term breaks like to send care packages, which can be done through Campus Concierge. Parents will be given the opportunity to order larger bundles featuring bulk quantities of snack food and groceries. Our service is not only for parents, because siblings, relatives, or even friends will be able to use it. In this way, parents will also benefit. Sending a snack "bundle" will be quicker and cheaper than sending a care package to their child through the mail. Not only will they be able to send snacks, they will have an option to send along a personalized note. We plan to handwrite the messages from home and place them in the snack packs to give students extra encouragement.

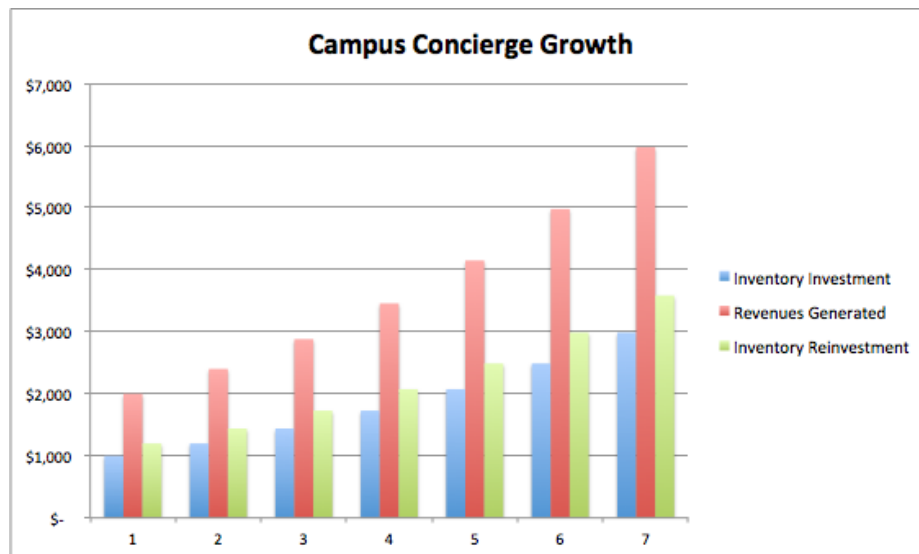
We believe the market for late-night snacks is relatively untapped and we can fill the void. The potential market includes college students across the nation as well as their parents, siblings, relatives, and friends who wish to help them out with their studies. Our service can be expanded to other schools very quickly since all that is needed is a campus representative and our app. This untapped market is huge.

Campus Concierge will be a for-profit business. Our snack packs will include a variety of items to choose from. During fall term of 2015, we tested out our service using a very small personal investment from our savings. We bought snacks and created a Facebook page to reach clients to see what interest we could get. The response was positive so we decided to start up our service on a very small scale. We created a website and started receiving orders. As a result of this market research, we were able to calculate the costs of each snack item and placed them into 3 different categories using a credit system where 1 credit is approximately equal to a cost of \$0.33. We were also able to develop a system that will work on a larger scale. For example, we can purchase 8 servings of yogurt pretzels for \$3.99, which means the cost per serving is \$0.50. However, we also need to factor in the cost of the plastic bag we put each serving in, so the total cost per serving for yogurt pretzels amounts to \$0.53. This would mean that the yogurt pretzels would be in the 2-credit category. Items vary from 1 to 3 credits, and all drinks cost under \$0.50 for us. The Study Buddy snack pack, sold for \$5.00, includes 6 credits worth of food items plus a drink. Our total cost per Study Buddy is under \$2.50, which means that a sale of \$5 gives 50% profit. All transactions will be made electronically through the use of a mobile app or website. In the long term, we anticipate labor costs for app development at \$4,300 and approximately \$2,000 for start-up costs to set up our service at each school. We expect \$1,000 in profit for every \$1,000 invested in inventory.

Our target consumers are students at small elite schools across the nation. We will use the Carleton student body to analyze potential sales since it is representative of our target market and we hope to launch our venture here. We estimate that of the 2000 students, approximately 10%, or 200 of them are studying abroad per term. This leaves 1800 students on campus, 25% of which we conservatively estimate would be interested in using our service. Of these 450 students, we project 50 of them to be once a week customers, 150 of them to make a purchase every other week, and the remaining 300 to purchase a Study Buddy once a month. This translates to about 25 Study Buddy sales per day on average at \$5.00 per sale for a total of \$125 per day. Since we will only be delivering on weeknights, we can expect about \$625 per week from student sales. In addition, we will offer a larger bundle for parents to buy for their students at a price of \$20 with the same 50% margin as the Study Buddies. Of the 3600 parents of students on campus, we conservatively estimate 450 of them to be interested in purchasing from Campus Concierge, all of whom will likely only purchase a \$20 bundle once per

month. This translates to approximately 15 sales per day at \$20 each for a total of \$300 dollars in revenue per week from parent sales. A conservative estimate of student and parent sales will total to \$925 dollars per week. With a total of 10 weeks per trimester, we can expect about \$9,250 in revenue per term and therefore, \$27,750 per year from a school comparable to Carleton.

By the end of the summer, we expect to have an up-and-running mobile application and website that will have been tested here at Carleton. Additionally, we plan to be ready to implement our service at Carleton College and at St. Olaf College across the river. By starting up at St. Olaf, we can figure out how we can expand our service to many other campuses across the nation. We plan to hire two campus representatives at each new school to carry out the business functions. These campus reps will receive 20% commission on all revenues, leaving 60% of revenues to reinvest in the company. As long as the market demands more product, by reinvesting in inventory, Campus Concierge will be able to experience significant compound growth over shorter periods of time than if we were to invest a fixed amount at each period. \$1000 dollars worth of inventory will provide 400 Study Buddy snack packs, which we estimate will sell in approximately 16 business days. Our inventory reinvestment will increase to \$1,200 after 16 days, given our first inventory investment was equal to \$1,000. After that, the inventory investment will continue to increase by a factor of 1.2 at each period in which we reinvest. We understand that at some point, the market at a certain school will no longer demand more product, but this compound growth will allow us to increase supply to the level demanded. Our anticipated growth is depicted in the graph below.

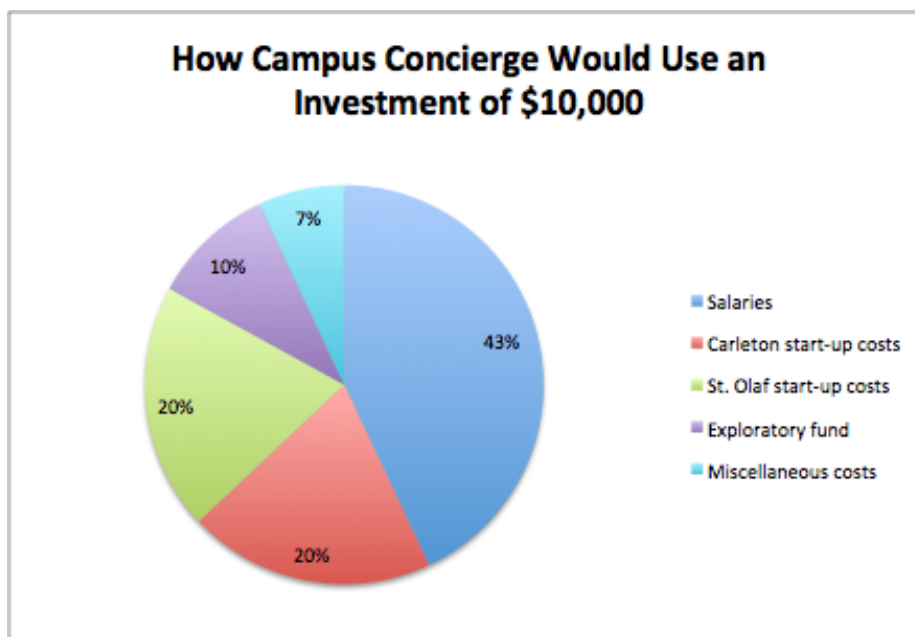


Using conservative estimates at Carleton and St. Olaf, we could expect revenues totaling approximately \$55,500 for just two campuses. By giving Carleton College 30% stake in our company in exchange for \$10,000, they could expect to recuperate and increase that investment in only the first year of operation.

Budget Justification

The \$10,000 prize would be used to expand our brand, create an ordering system, and to cover the start up costs at Carleton College and St. Olaf College. A mobile app would allow

for students, or parents, to order right from their phones with the touch of a screen. Payments would also be completed through this app to make the billing more efficient. Students would be able to purchase “packs” while parents would be able to purchase “bundles” or credit for their child to use on “packs.” The app would make the delivery process more efficient since all orders would go to a central hub that can be easily viewed by the campus ambassador or delivery-person.



Itemized Cost Overview

Project	Expected Cost
Salaries - app development & other work	\$4,300
Carleton start-up costs	\$2,000
St. Olaf start-up costs	\$2,000
Exploratory Fund	\$1,000
Miscellaneous costs	\$700
Total	\$10,000

The bulk of our funding is intended to go toward development and expansion. We plan to use \$4,300 to fund our time during spring term as well as during fall term. We both plan on working 10 hours minimum per week at a wage rate of \$10.75, equivalent to the summer wage rate proposed by the contest organizers. We plan on working more than 10 hours per week but do not intend to pay ourselves for any additional hours. Mitchell will use at least 100 hours of his time to learn mobile app development since he has a computer science and mathematics background. Jeremy will use at least 100 hours of his time to find new avenues for expansion

since he has a background in business and economics. Both Mitchell and Jeremy will use the remaining 100 hours each to work on advertising and selling.

\$2,000 will be required to cover the start-up costs for a small college or university. We plan on starting up at Carleton and St. Olaf, where we will hire two campus ambassadors at each school to be our representatives. These ambassadors will be responsible for advertising and eventually making sales to students and parents of that institution. Campus Concierge would provide the app and knowledge of what types of snacks sell and what doesn't. Each campus ambassador will receive a salary of \$12.50 an hour for the first 2 weeks so that he/she can get the word out without having to worry about sales. This salary will add up to \$500. Another \$500 will be used to purchase 200 snack packs (costs will be around \$2.50 a pack) to giveaway to students to generate initial interest in our service. We will also provide \$1,000 worth of inventory at each branch. \$1,000 would buy 400 snack "packs" or 100 snack "bundles", generating \$2,000 in sales, and thus net \$1,000 in profit.

Campus Concierge is not just for late night snacks. The brand can be broadened to include services like laundry, shuttle service, restaurant delivery service, alcohol delivery, and many others. We plan on using \$1,000 to test out some other potential services to look for ways to expand our business.

Finally, we plan on using \$700 to cover other miscellaneous expenses like the app fee (\$100/year), website costs, and other forms of advertising. Most of our advertising, however, would be through social media platforms such as Facebook and Instagram.

Team Bios

Mitchell Biewen '17 is a junior Math/Stats major originally from Golden Valley, MN. In addition to his quantitative background, he has also taken several classes in Economics including courses titled Principles of Microeconomics and Industrial Organization and Firm Behavior. His background in computer programming and current enrollment in Software Design gives Mitchell the ability to teach himself the skills necessary to develop the mobile application for Campus Concierge. By vertically integrating this app development, Campus Concierge will be able to reduce the costs necessary to get this business off the ground and running.

Throughout high school, Mitchell ran a small lawn mowing business in his neighborhood for 7 clients. This taught him how to interact with customers in a professional setting and how to bill his clients each month, as well as the importance of keeping records of all jobs completed and whether or not they had already been paid. At that time, Mitchell was busy as captain of the basketball, soccer, and golf teams, which forced him to manage his time well and work extremely hard in order to excel in athletics while maintaining a 4.0 GPA and receiving valedictorian honors upon graduation from high school. Mitchell's work ethic and analytical ability will allow him to spend long hours in order to perfect the Campus Concierge mobile application so that customers can easily execute their purchases.

Jeremy Keane '17 is a junior Political Science/International Relations major from New York City. Last summer, Jeremy interned with an economic think tank attached to the Office of the French Prime Minister in Paris. In addition to giving him a professional working proficiency in French, he learned how to adapt quickly to a new environment and to learn foreign concepts quickly and efficiently. Jeremy plans on using skills that he's acquired in courses like microeconomics, macroeconomics, price theory, and theories of entrepreneurship in his administrative duties while running Campus Concierge.

From a very early age he has been interested in entrepreneurship and business. In elementary school, Jeremy developed an invention that recycles paper that he intends on patenting in the future. In middle school, Jeremy started selling candy and gum to his classmates for a 400% markup. In high school, Jeremy sold homemade candy bars to his classmates while also running a small window washing business on the Upper West Side of New York. He also started a tutoring business for New York City high school entrance exams that matched parents with a qualified tutor who could help their child improve his/her score.