Home Meal Kit Delivery Industry
Home Chef should capitalize on these three traits

Convenience  Health  Affordability

But How?
**Simple Moments: A meal kit to fit a busy lifestyle**

- We propose a microwave friendly meal kit line labeled *Simple Moments*
  - Fresh Ingredients
  - Prep time ~10 minutes
  - Price per meal of $6.99
**Simple Moments** effectively targets consumers who enjoy cooking but don’t have the necessary equipment.

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**Attitudes Towards Cooking By Age**

I enjoy cooking/baking at home

- 18-24
- 25-34
- 35-44
- 45-54
- 55+

“Cookware - US - June 2017.” Mintel Reports.
**Simple Moments** effectively targets consumers who enjoy cooking but don’t have the necessary equipment.

![Attitudes Towards Cooking By Age Chart](chart_url)

“I do not have all the equipment I need to try the recipes I want”

- **18-24**
- **25-34**
- **35-44**
- **45-54**
- **55+**

**Simple Moments** appeals to those without the expertise to cook traditionally.

**Attitudes Towards Cooking By Age**

I am “not good” at cooking

- 18-24
- 25-34


Market Research firm NPD Group (LaMagna)
Faster cook times of *Simple Moments* fits the needs of consumers, especially working parents.
Simple Moments’ strong focus on premium ingredients will differentiate them from competitors.
The fresh vegetables *Simple Moments* uses will contain more color and nutrients compared to blanched vegetables.

Briefly boil vegetables

Submerge into ice water

Simple Moments’ fresh and healthy ingredients will continue to attract healthier generations.

Simple Moments provides untapped consumers with an appealing option

Would try if cheaper, 46%

*Simple Moments* is cheaper than existing meal options from current providers.
**Simple Moments** appeals to low income consumers

Mean Income, 15-34 year olds as a % of the population

How *Simple Moments* will affect Home Chef’s current business model

<table>
<thead>
<tr>
<th>Using Already Existing Models/Methods</th>
<th>Introducing New Models/Methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Sourcing Food Produce</td>
<td>• Pilot Program</td>
</tr>
<tr>
<td>• Transportation</td>
<td>• Coordinated</td>
</tr>
<tr>
<td>• Marketing</td>
<td>Advertising with</td>
</tr>
<tr>
<td>• Facilities for Assembly</td>
<td>select Partners</td>
</tr>
</tbody>
</table>

*Simple Moments.*
Reach out to Partners and use their networks to advertise and coordinate the launch of *Simple Moments* for a more efficient and effective result.
The pilot program will be crucial because the next steps are dependent upon its success and popularity.
**Simple Moments** can maintain existing Home Chef margins while attracting new customers.

<table>
<thead>
<tr>
<th>Cost of Traditional Home Chef $60.00 box as given by Home Chef</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packaging: $5.00</td>
</tr>
<tr>
<td>Labor: $4.50</td>
</tr>
<tr>
<td>Shipping/Overhead: $7.00</td>
</tr>
<tr>
<td>Total Non-Food Related Cost (Fixed Cost): $22.50</td>
</tr>
<tr>
<td>Total Food Cost: $15.00</td>
</tr>
<tr>
<td>Total Cost per Box: $31.50</td>
</tr>
<tr>
<td>Per Meal Food Cost: $15.00/6 meals per box = $2.50</td>
</tr>
<tr>
<td>Per Meal Non-Food Cost: $16.50/6 meals per box = $2.75</td>
</tr>
<tr>
<td>Per Meal Cost: $31.50/6 meals per box = $5.25</td>
</tr>
</tbody>
</table>

Simple Moments (Per Meal) Cost

| Enchiladas Cost Per Meal: $1.11                              |
| Mac and Cheese with Chicken Cost Per Meal: $2.80             |
| Yam, Eggs, and Beans Lunch Cost Per Meal: $2.90              |
| Conservative Estimate add $1.00 to above costs: $1.00         |
| (Average of all three) Food Related Cost: $2.47              |
| Adjusted for discounts received from bulk purchases: $1.57    |
| (Varies: But from calculations approximately 36% more to buy from HC. Note: Sometimes cheaper to buy HC as noted on website) |
| Non-Food Related Cost (Fixed Cost): $2.75                     |
| Total Cost Per Meal: $4.32                                   |
**Simple Moments** can maintain existing Home Chef margins while attracting new customers

<table>
<thead>
<tr>
<th>Ingredient</th>
<th>Amount for 2 Servings</th>
<th>Purchase Amount</th>
<th>Purchase Cost</th>
<th>Cost for 2 Servings</th>
<th>Cost for 1 meal</th>
</tr>
</thead>
<tbody>
<tr>
<td>oregano</td>
<td>0.125</td>
<td>1</td>
<td>1.5</td>
<td>0.1875</td>
<td>0.09375</td>
</tr>
<tr>
<td>Lasagna Noodles</td>
<td>5</td>
<td>9</td>
<td>1.98</td>
<td>1.1</td>
<td>0.55</td>
</tr>
<tr>
<td>Garlic Cloves</td>
<td>2</td>
<td>8</td>
<td>9.95</td>
<td>2.4875</td>
<td>1.24375</td>
</tr>
<tr>
<td>Spinach</td>
<td>2</td>
<td>5</td>
<td>2</td>
<td>0.8</td>
<td>0.4</td>
</tr>
<tr>
<td>Italian Sausage Links</td>
<td>2</td>
<td>4.48</td>
<td>5</td>
<td>2.232142857</td>
<td>1.116071429</td>
</tr>
<tr>
<td>Marinara Sauce</td>
<td>8</td>
<td>1</td>
<td>0.12</td>
<td>0.96</td>
<td>0.48</td>
</tr>
<tr>
<td>Grated Parmesan</td>
<td>0.5</td>
<td>16</td>
<td>7.19</td>
<td>0.2246875</td>
<td>0.11234375</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>7.991830357</strong></td>
<td><strong>3.995915179</strong></td>
</tr>
</tbody>
</table>

**Increased Convenience**

**Fresh and Healthy**

**Affordable**

**Business Model**

**Financial Projections**

**Q&A**

BCG
Home Chef can anticipate *Simple Moments* revenue from $46 million to $58 million based on our financial projections

<table>
<thead>
<tr>
<th>% of potential customers gained</th>
<th># of Meals</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.25%</td>
<td>55,704,599.44</td>
</tr>
<tr>
<td>0.5%</td>
<td>11,146,018.88</td>
</tr>
<tr>
<td>0.75%</td>
<td>16,711,378.32</td>
</tr>
<tr>
<td>1.0%</td>
<td>22,281,837.77</td>
</tr>
<tr>
<td>1.25%</td>
<td>27,852,297.31</td>
</tr>
<tr>
<td>1.5%</td>
<td>33,422,756.65</td>
</tr>
<tr>
<td>1.75%</td>
<td>38,993,216.09</td>
</tr>
<tr>
<td>2.0%</td>
<td>44,563,675.35</td>
</tr>
<tr>
<td>2.25%</td>
<td>50,134,134.97</td>
</tr>
<tr>
<td>2.5%</td>
<td>55,704,594.41</td>
</tr>
<tr>
<td>2.75%</td>
<td>61,275,053.85</td>
</tr>
<tr>
<td>3.0%</td>
<td>66,845,513.30</td>
</tr>
</tbody>
</table>

### Retention Rate
- Number of people who have tried meal kits
- Number of people who are regular customers
- % of people who would try meal kits
- Number of adults in the U.S.
- Number who would theoretically try meal kits
- Number who would be consistent customers

### Financial Projections

<table>
<thead>
<tr>
<th>% of potential customers gained</th>
<th>Cost per unit</th>
<th>Price per unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>11%</td>
<td>$4.32</td>
<td>$6.99</td>
</tr>
<tr>
<td>19,000,000</td>
<td>214,7000</td>
<td></td>
</tr>
</tbody>
</table>

### Simple Moments
Increased Convenience
Fresh and Healthy
Affordable
Business Model
Financial Projections
Q&A
Simple Moments will retain customers by providing a more niche product that keeps more customers happy.

$200
Per customer

25.0x-5.0x the cost

Customer Happiness

HBR.org
Questions?

Simple Moments.

Megan Berry  
Mallory Flora  
Mark Hammes  
Aaron Patel  
Justin Romic  
Shohith Sama

Contact us:  
mcberry@umail.iu.edu

BCG
**BEFORE YOU COOK**
- Take a minute to read through the recipe before you start; we promise it will be time well spent!

**WHILE YOU COOK**
- Heads up! Make sure the bowl is microwave safe.
- Heads up! The sauce will be split between the bowl and filling.

**FROM THE CHEF**
- Take a minute to read through the recipe before you start; we promise it will be time well spent!

**Did you know...**
The enchilada is one of the dishes mentioned in Mexico’s first cookbook in 1831

1. **Start with Sauce**
   Spread a tablespoon of enchilada sauce over the bottom of the bowl.

2. **Prepare the Filling**
   Mix the cilantro, chicken, and the remaining enchilada sauce together so that they are evenly combined.

3. **Prepare the Tortillas**
   Dip each tortilla in the remaining enchilada sauce, fill with ¼ Tablespoons of filling, and roll. Place in the pan and repeat with the remaining tortillas and filling.

4. **Add the Cheese**
   Spread any remaining enchilada sauce over the top of the enchiladas. Sprinkle with the shredded cheese.

5. **Microwave the Meal**
   Microwave for 5-7 minutes, or until the cheese is melted, the sauce is bubbly, and the enchiladas are heated through.

6. **Enjoy**
   Plate the enchiladas or eat them out of the bowl.

Connect with us @reaihomechef

Tell us what you thought at www.homechef.com/2886
Implementation Process

- Pilot Program
- Review Results
- Create Recipes
- Reach Out To Partners
- Clear Regulation
- Prepare Marketing Materials
- Prepare Logistics
- Start Advertising
- Launch
- Evaluate Success
- Incentivize Loyalty
- Loyalty Program
- Evaluate Success
- Relaunch if needed

<table>
<thead>
<tr>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
</tr>
</thead>
</table>

- Continuously Improve Recipes; However need a list by April
- Launch an incentive targeted towards retention
Chicken Pesto Ciabatta:
• $7.99 per serving
• 5-10 min prep time
• *No cooking required

Lamb Chops with Parmesan Stuffing:
• $19.95 per serving
• 35-45 min prep time
• *Cooking required
“Cookware - US - June 2017.” Mintel Reports.