

Briefing of 'Burgo'

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What is it?

It is a mobile food vendor which will offer a tex-mex burrito as a healthy, convenient, and competitively priced food option in Copenhagen. The style of Burrito will be modeled after the style of the American chain Chipotle (Chipotle.com)

How does it work?

Burgo will rent kitchen space in Copenhagen to prepare and package all food. Food will be transported in heat/freshness containers by method of pull-cart and bicycle. The transport bicycles will deliver food to immobilized 'transformer' stands. These stands sell the food at certain locations, but are mobile as well and have easy assembly and disassembly, allowing operations to proceed in many locations. The idea behind Burgo is to keep costs as low as possible and this model eliminates many of the extraneous costs that restaurants and other eateries endure. Following this idea Burgo will initially offer only two items, a chicken burrito and a vegetarian burrito.

NABC Evaluation

Needs (Client)

- People need food
- People need convenient, healthy, and affordable food
- Tourists need portable food options

Competition

- Other Street Vendors, Restaurants, Grocery Stores (ex: Deli), Eateries
- No one else is selling a tex-mex burrito in Copenhagen like this

Approach

- Prepare food in rented kitchen space
- Use bicycles to transport food
- Use charcoal or gas grills at transformer stands to keep foil-wrapped burritos hot
- Sell food from 'transformer' stands (semi-stationary, mobile too)
- Offer only have two burrito options initially, a chicken burrito and a vegetarian burrito
- Hire high school - college age hourly employees to make, transfer, and sell products
- 1 kitchen provides product for 2 transformer stands
- Stands where products are purchased are mobile so we can go where people are
- Continue operation into late night/ early morning, near areas with a high density of bars
- Employ other similar sales strategies

Benefits/Costs (General Example)

- Cost/Day Estimates
 - Employee Cost
 - 6 Employees/Hr, 10 Hr/Day, rate =150dk*/Hr
 - Total Emp Cost = 9,000dk
 - Burrito Cost
 - (Rice(2dk),Beans(2dk),Chicken/Veg Fil(5dk),Cheese(2dk), Salsa(3dk), Tortilla(1dk), Other(2dk))= 17dk
 - 800 Burritos/Day
 - Total Costs = 13,600dk
 - Apple Cost
 - = 2dk
 - 800 Apples/day
 - = 1,600dk
 - Rest of Cost
 - Kitchen Rent/day = 750dk
 - Electricity=200dk
 - Other Utility and Misc. = 500dk
 - Total Op Costs = 1,450dk
 - Total Operational Cost/Day
 - =25,650 dk
 - (\$4,513.05USD)
- Benefit/Day Estimates
 - Burrito + Apple combo Revenues
 - 50dk/combo
 - 700combos/day
 - Revenue = 35,000dk (\$6,158.16USD)
- Profit
 - 9,350dk (\$1,645.11USD)
- Profit after Tax (25%)
 - 7,012.50dk (\$1,233.83USD) / Day

dk* = Danish Krone

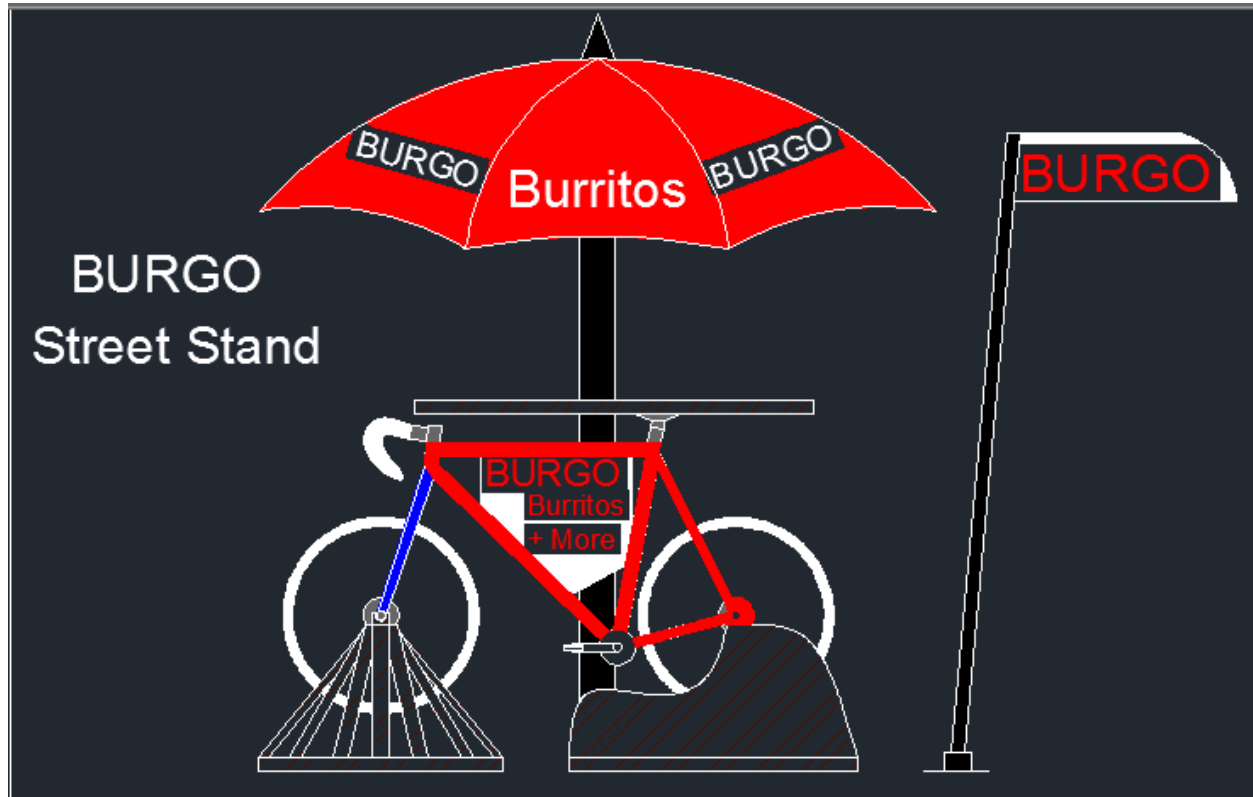
Benefits/Costs (Day 1)

- Cost/Day Estimates
 - Employee Cost
 - 1 Employees/Hr, 10 Hr/Day, rate =200dk*/Hr
 - Total E Cost = 2,000dk
 - Burrito Cost
 - (Rice(2dk),Beans(2dk),Chicken/Veg Fil(5dk),Cheese(2dk), Salsa(3dk), Tortilla(1dk), Other(2dk))= 17dk
 - 200 Burritos/Day
 - Total Costs = 3,400dk
 - Apple Cost
 - = 2dk
 - 200 Apples/day
 - = 400dk
 - Rest of Cost
 - Kitchen Rent/day = 750dk
 - Electricity=200dk
 - Other Utility and Misc. = 500dk
 - Total Op Costs = 1,450dk
 - Total Operational Cost/Day
 - =7,250 dk
 - (\$1,275.62USD)
 - Benefit/Day Estimates
 - Burrito + Apple combo Revenues
 - 50dk/combo
 - 200combos/day
 - Revenue = 10,000dk (\$1,759.47USD)
 - Profit
 - 2,750dk (\$483.86USD)
 - Profit after Tax (25%)
 - 2,062.50dk (\$362.89USD) / Day
- dk* = Danish Krone

| Startup Cost Estimates | Danish Kona | USD |
|------------------------|--------------|-------------|
| Kitchen Space Rent | 4000 | 700 |
| Kitchen Utensils | 1000 | 175 |
| Bicycles (2) | 6000 | 1000 |
| Pull Cart (2) | 4000 | 700 |
| Hot Box (2) | 600 | 100 |
| Food Inputs | 4000 | 700 |
| Misc | 2000 | 350 |
| Total | 21600 | 3725 |

Startup Needs:

In addition to these costs, Burgo needs to obtain a Danish CVR number, register with all proper and necessary Danish business agencies, and receive approval from the Danish authority on food services. It may also need to obtain a specialized permission to transport food throughout Copenhagen.

'Transformer Street Stand'**Why in Copenhagen?**

Copenhagen is a wealthy, capital city with an urban population around two million people. It hosts hundreds of thousands of tourists every year, with the heaviest influxes in the spring and summer. There is a large market for street food as there are high volumes of pedestrian and bicycle traffic in several parts of the city. In general Copenhagen is one of the most bicycle-friendly cities in the world as cycling is the most common mode of transportation. There is no one in Copenhagen currently selling burritos in anyway similar to this; burritos have low costs of inputs, and a competitive price for street food is high in comparison.