



By

MultiKitchen

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MultiKitchen

Company Mission

Providing easy, compact, all-in-one kitchen equipment.

Concept - The MultiGrill

Attractiveness

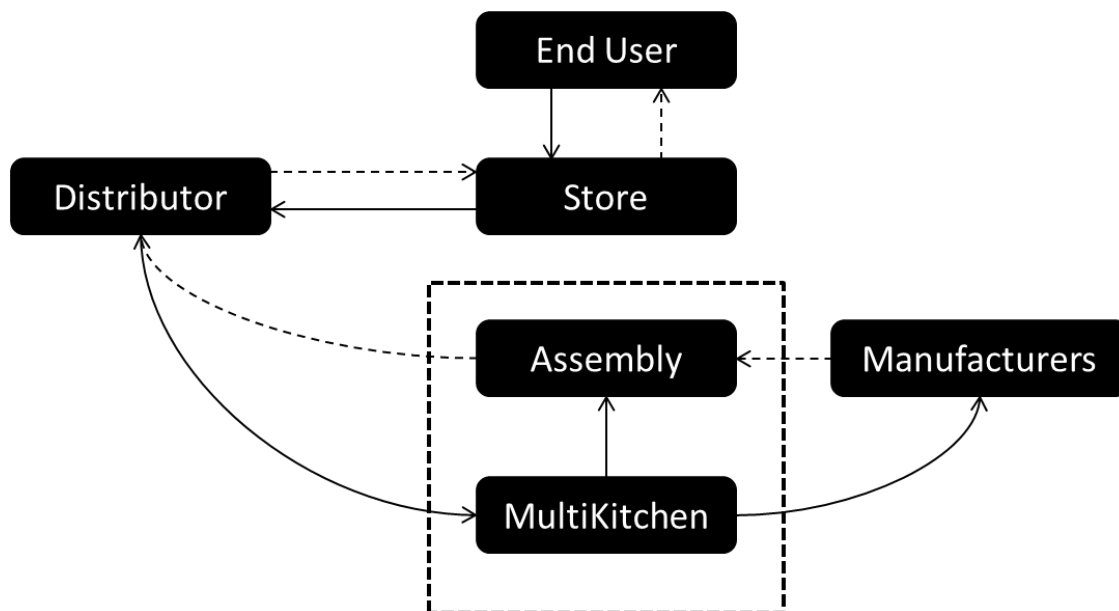
- It's an all-in-one toaster, BBQ grill, sandwich, waffle, Pancake maker.
- This feature makes sure the customer saves money and space.
- All the compartments can be taken out separately which makes the MultiGrill easy to clean.



Feasibility

- There are 690.000 students in the Netherlands. If 4.378% students buy the Grill there is already profit after 16 months.
- Not only students (our target group) will be interested.
- There is a possibility for expansion. (E.g. more kinds of cooking plates.)
- If the MultiGrill is a success the MultiKitchen line could expand. (E.g. MultiCutter, MultiPan.)
- After two years there will be a profit of €103.400,-

Money & value flow



Turnover, Costs, IFO

STEP 0 MARKET VALUE		
	%	Mutligrill
Transfer price	78	31.9
Retail margin	22	9.0
VAT	21	8.6
going		49

STEP 1 TOTAL TO / STEP 3 MFG & UNIT						
	Labor	Materials	OH + IFO	Transfer price	Sales#	Sales Val
MultiGrill	5.6	10.0	15.3	31.9	30 000	957 000

STEP 2 PERSONNEL COST (MFG & OVERHEAD)			
	Head count	Rate	
Purchase/Warehouse	1	60 000	
Bookkeeper + Owner	1	80 000	
Sales & M	1	70 000	
Sub total	3	210 000	Overhead Personal
Factory	3	160 000	Subtotal factory
Total HC	6	370 000	Total personal

STEP 4 TOTAL MFG COST		
	Per product	Total
Material	10	300 000
Labor	5.6	168 000
Total factory costs		468 000 (~50% of TO)

STEP 6 OTHER COST OVERHEAD	
Overhead out of pocket costs	
Travel	50 000
Housing	60 000
Advertising	70 000
OCoO (Other Costs of Organizations)	30 000
Re-invest	20 000 2.1%
Interest	20 000
Total	250 000

STEP 7 IFO		
Profit before Tax		
957 000		Total sales
300 000	--	Cost of goods
657 000		Gross margin
168 000	--	Cost of Mfg labor & equipment
489 000		Overhead & Profit (before TAX)
210 000		OH personal
250 000		OH Out of pocket
29 000		IFO (Before Tax) 3,0% of TO

Market intro plan and costs

One time	
Furniture / Office supplies	4 000
Equipment assembly	10 000
Materials for first 10 000 products	100 000
Advertisement	52 000 (first 4 months)
Total	166 500

Monthly costs first 4 months		Monthly costs after 4 months	
Travel	4 200	25% advertisement	2 190
OCoO	2 500	Travel	4 200
Re-invest	1 670	OCoO	2 500
Interest	1 670	Re-invest	1 670
Salaries	30 835	Interest	1 670
		Materials	25 000
		Salaries	30 835
Total	40 875	Total	68 065

Breakeven

<i>Sales</i>	<i>#Sales</i>	<i>Transfer Price</i>	<i>Turnover</i>	<i>Month</i>	<i>Costs</i>	<i>Balance</i>
0	0	31,9	0	0	0	0
0	0	31,9	0	1	246925	-246925
0	0	31,9	0	2	287800	-287800
0	0	31,9	0	3	328675	-328675
0	0	31,9	0	4	369550	-369550
5000	5000	31,9	159500	5	437615	-278115
10000	5000	31,9	319000	6	505680	-186680
15000	5000	31,9	478500	7	573745	-95245
17500	2500	31,9	558250	8	641810	-83560
20000	2500	31,9	638000	9	709875	-71875
22500	2500	31,9	717750	10	777940	-60190
25000	2500	31,9	797500	11	846005	-48505
27500	2500	31,9	877250	12	914070	-36820
30000	2500	31,9	957000	13	982135	-25135
32500	2500	31,9	1036750	14	1050200	-13450
35000	2500	31,9	1116500	15	1118265	-1765
37500	2500	31,9	1196250	16	1186330	9920
40000	2500	31,9	1276000	17	1254395	21605
42500	2500	31,9	1355750	18	1322460	33290
45000	2500	31,9	1435500	19	1390525	44975
47500	2500	31,9	1515250	20	1458590	56660
50000	2500	31,9	1595000	21	1526655	68345
52500	2500	31,9	1674750	22	1594720	80030
55000	2500	31,9	1754500	23	1662785	91715
57500	2500	31,9	1834250	24	1730850	103400

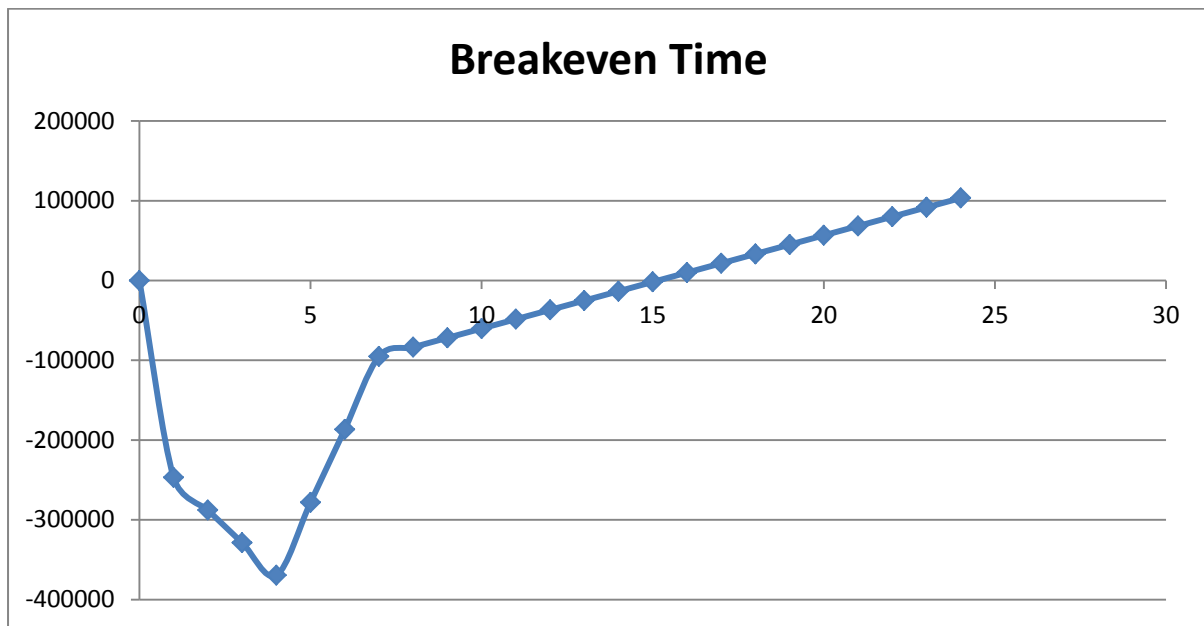
Formulas used to plot breakeven time and scale

Turnover = #Sales × Transfer Price

Costs = Total Monthly + Costs previous month

Balance = Turnover – Costs

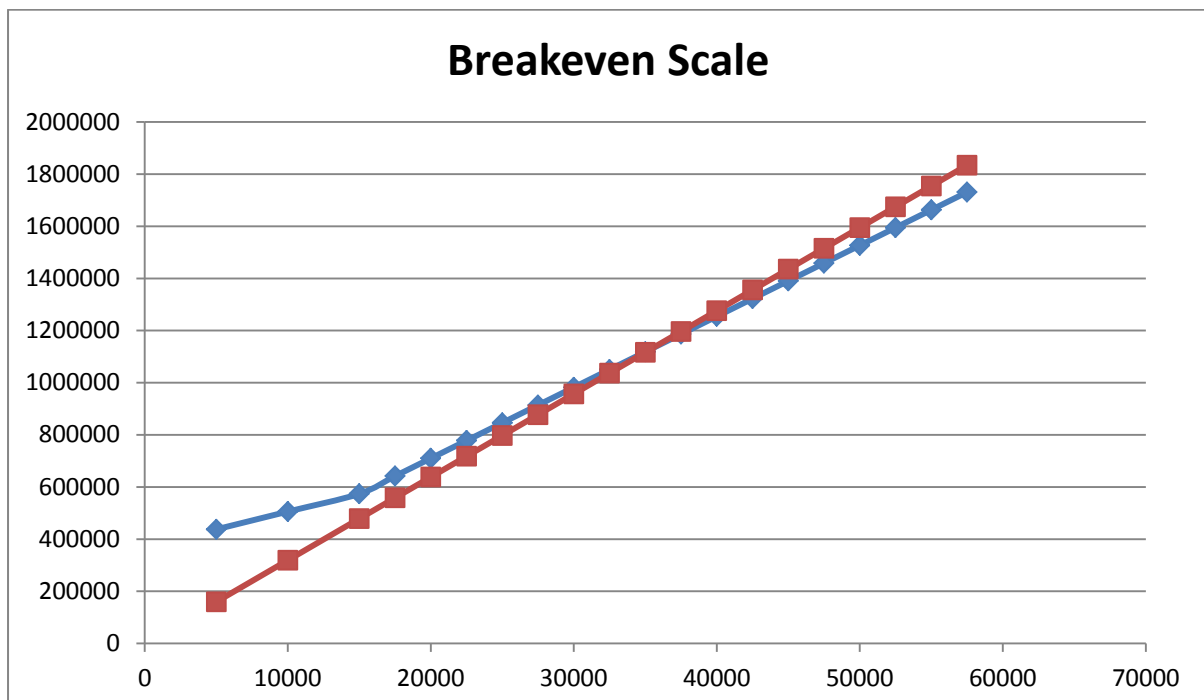
Graph Breakeven Time



The cash dip is €369550,-

Break even time is at 15 months.

Graph Breakeven Scale



Break even scale is at 35000 sales by €1116500,-

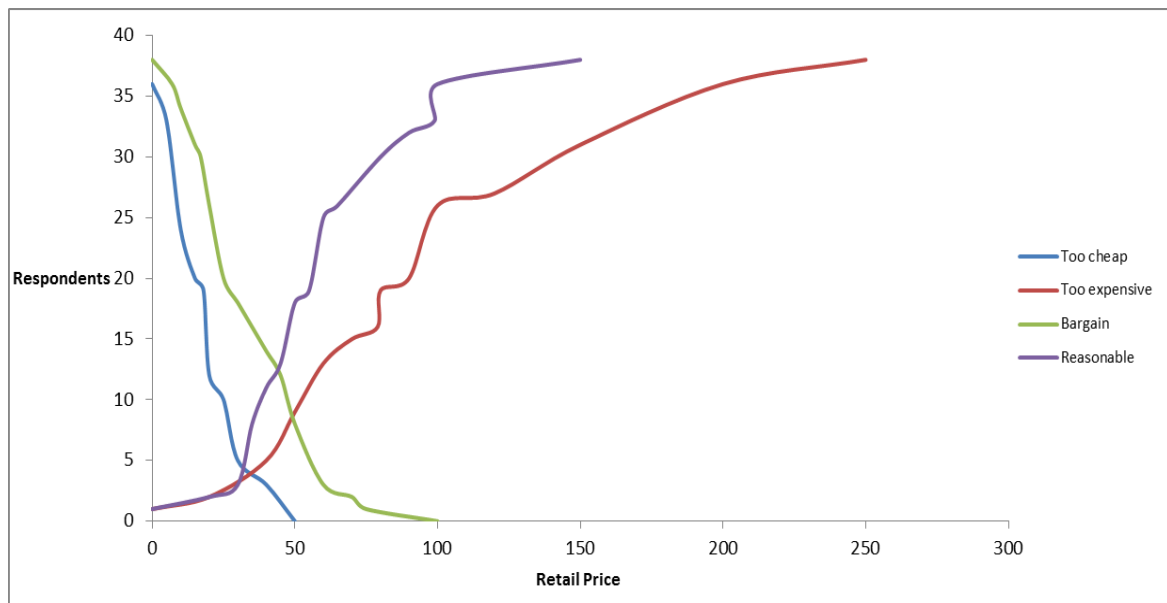
There are always risk factors and contingencies with business cases for the future. We have to see in the future if there will be that many sales and how long the sales will go on.

Return on Investment for shareholder will be after 15 months. We took the interest in the monthly costs. That means that we pay back the investor every month since month one.

Assumptions financials

Retail margin: average 19-25 = 22%

Value perception assessment:



Intercept point Too cheap and Reasonable

Lowest acceptable price: 31 €

Intercept point Too expensive and Too cheap

Optimal Price: 35 €

Intercept point Too expensive and Reasonable

Highest acceptable price: 50 €

Amount of sales: students= 690.000

±4% of the students buys the grill and 0.3% other

$690.000 * 0.04378 = 30.000$

Labour: $170.000/30000 = 5.6$

$170.000 = 160.000$ (employers) + 10.000 (equipment)

Employers: $30.000/250$ (working days) = 120 product per day

1 supervisor + 2 workers = 3 employers in assembly and packaging

Salary: Sales = 3.058 €/month

Purchase/warehouse = 2.992 €/month

Own/bookkeeping = 3.659 €/month

Material: Teflon = 20 \$/kg

Travel: 0.19 €/km
263000/3 + international travelling

Housing: 100 m² / 18500 per year
Internet: 50 per month
Furniture: 1000 per year
Assembly/ warehouse:

Advertisement: public relations and promotions = 70.000 (= 13.6% total sales)

Recourses

ADVERTISEMENT	http://www.legalzoom.com/business-management/promoting-your-business/cost-marketing-what-is
TEFLON	http://www.alibaba.com/trade/search?fsb=y&IndexArea=product_en&CatId=&SearchText=5mm+teflon+sheet
HOUSING	http://www.huur-bedrijfsruimte.nl/ http://www.huren-kantoor.nl/eindhoven.html
WAREHOUSE	http://www.hlb-van-daal.nl/files/BTW-tips/TIPS_Onroerend_goed.pdf
STUDENTS	http://www.kences.nl/nl/nieuws/nieuwsberichten/03-02-2014-aantal-studenten-neemt-toe.html