



Executive Summary

ABOUT THE BUSINESS

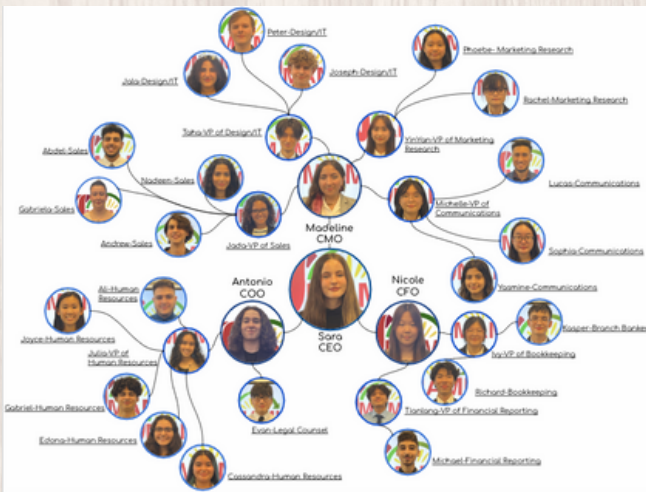
Overview

Founded in October 2022, Umami is an LLC Corporation at Fort Hamilton High School in Brooklyn, New York. As a flow-through entity, business members of Umami are exempt from any business-related debts and lawsuits, protecting them from liability and relieving them from double taxation.

Umami encourages adolescents to develop a healthy lifestyle by delivering culturally diverse, nutritious, and freshly cooked meals. Umami is a convenient way to fulfill their dietary needs while accommodating their busy schedules.

Organization

Our company is comprised of 32 employees. We employ a circular organizational structure that emphasizes our company's strong unity and collaborative environment. Led by our CEO, tasks and duties are delegated amongst six departments: Human Resources, led by our COO; Finance and Accounting, led by our CFO; and Design, Communications, Market Research, and Sales departments, led by our CMO. The Executive team and the Vice Presidents of each department hold weekly management meetings with their team. Through these meetings, every employee has access to review accomplishments, discuss current duties, deliberate goals, provide solutions, and plan future tasks. Additionally, Umami conducts monthly employee evaluations to assess performance and furnish advancement.



Problem

Umami's Market Research team conducted an inquiry survey that reached over one thousand high school students throughout Brooklyn. Data showed that over 50% of adolescents skip 1-2 meals daily and 53% admit to skipping meals due to time constraints. Researchers in the European Journal of Public Health also found that 30% of the calories in the average diet of US children derive from sweets, soft drinks, salty snacks, and fast food, which doubled in the last 30 years. Eating habits developed during youth were translated into adulthood, inhibiting the ability to accomplish daily tasks due to poor health.¹

MISSION STATEMENT

To educate and encourage adolescents to maintain a healthy lifestyle by offering convenient, sustainable, and diverse nutrition.

Solution

Umami is a food delivery service that sends freshly cooked meals to the consumer's doorstep. With the guidance of a professional nutritionist, Umami prepares and ships meals packed with the necessary nourishment for a healthy growing teen. Through our partnership with International Kitchen, a local ghost kitchen located in Brooklyn, Umami can offer customers an array of culturally inclusive cuisines. Our self-heating packaging provides consumers with a new and innovative way to heat food conveniently without additional appliances. Through Umami's services, we provide adolescents with a convenient way to develop a healthy lifestyle. Umami sells its meals for a price of \$15, supplying adolescents with restaurant quality meals that are affordable.

1 Open your top tray that contains your meal. Here we have Umami's Chicken Curry meal.

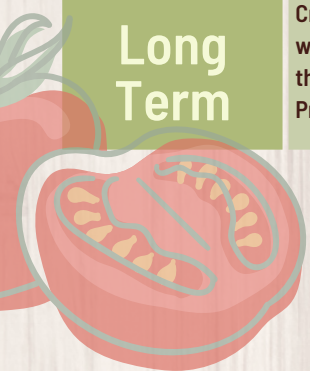
2 Place the heating packet on the bottom tray and pour 12 oz of water on top to activate its heating components.

3 Place the food tray on top of the bottom tray to heat your freshly cooked meal!



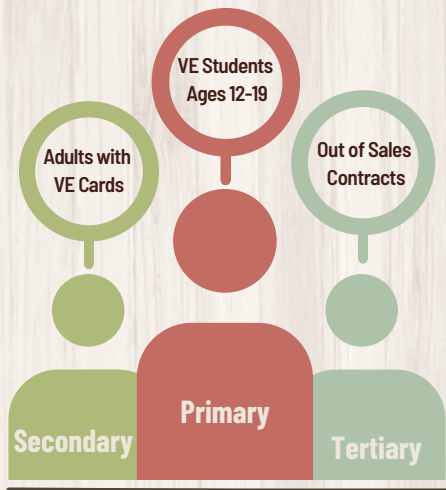
Umami's Self-Heating Package

	Goal	Strategy
Short Term	Earn \$900,000 in revenue by the end of the fiscal period. 	Umami's strategic marketing plans and promotional strategies ensure we meet our goal as our company generates revenue through participating in regional, national, and international trade shows, direct sales, and Out of Network contracts.
Mid Term	Purchase and own company kitchen. 	Umami plans to use its net profits to purchase our own company kitchen. Ownership of our kitchen would enable Umami to have complete control over meal preparation, supply purchases, shipping and handling, and hiring chefs. This would allow us to mark down our retail cost as we no longer have the pay expenses of our current ghost kitchen, making our meals more affordable for adolescents.
Long Term	Create partnerships with public schools in the Virtual Enterprise Program. 	We aspire to bring our familiarity and resources into the NYCDOE and public high school cafeterias across New York to combat the current struggle with nutrition. Through an approved-vendor contract, Umami can be a meal source for schools to purchase and sell to students at an affordable price.



MARKETING PLAN

Target Market



Demographics: Our target market are middle school, high school, and college students in Virtual Enterprise. They are ages 12-19, with diverse races, ethnicities, and backgrounds. In our survey, 67% of the respondents identify as ethnically diverse and feel that their culture is not well-represented in food options.

Geographics: In the initial formation of our business, we focused on selling in the Northeast region of the United States, initially focusing on NYC, Long Island, and upstate NY.

Psychographics: Our customers are growing individuals that run busy academic and extracurricular lives. Our survey shows that 60% of students have less than 25 minutes to prepare a meal due to time constraints. Additionally, over 56% of students say that due to the lack of time, they skip a minimum of 1 meal daily, most commonly breakfast. Adolescents constantly feel hungry and deprived of energy, looking for a quick and easy way to eat fulfilling meals.

Social economics:

<u>Disposable Personal Income</u>	<u>Education</u>	<u>Diversity</u>
Customers carry Virtual Enterprise credit cards and earn a salary of \$40,000-\$55,000 yearly.	59% of Generation Z are enrolled or plan to enroll in college. ² Additionally, the NCES data report that 1.3 million U.S. high school students took college-level courses in 2011, which increased by 67% in the past decade. ³	Nearly half of Generation Z are racially or ethnically minorities. Today's Generation Z individuals are projected to become majority nonwhite in 2026. ³

Our target market has the finances needed to purchase our prepped meals that are essential to the well-being of adolescents. Umami provides diverse cuisine that are inclusive of their cultural identity and that also accommodates Gen-Z's rigorous school-life.



Marketing mix




Product- Umami is a service that offers a variety of culturally diverse, ready-to-eat meals sold as single meals, bundles, and subscriptions. We prioritize sustainability by sourcing ingredients from local farms in the tri-state area. Our meals are packed in trays with two compartments; an upper tray containing the food and a lower insulated tray containing a Calcium Oxide packet. When 12 oz of water is poured into the lower tray and comes into contact with this packet, an exothermic reaction occurs that produces heat that rises to 100°F within minutes. Thus, Umami is able to quickly nourish students who lead busy lives. Some of our culturally inclusive meal options include Racuchy (polish pancakes), acai bowls, burritos, and chicken curry.

Place- Umami expects 53% of sales from non-VE sales, 20% from trade shows, and 27% from direct sales. Umami generates revenue through our website, direct sales, and trade shows. Buy buttons on our website and social media make it easy for other Virtual Enterprise firms and students to access our company's products. After purchasing meals from our website, we direct our customers into a loyalty and referral program to reach out to more customers. Our sales team directly communicates with Virtual Enterprise advisors and firms from all over the Northeast region of the United States, speaking to potential buyers and generating direct sales. We deliver our meals to our customers twice a week, on Wednesdays and Sundays, to the shipping address provided by the consumer.

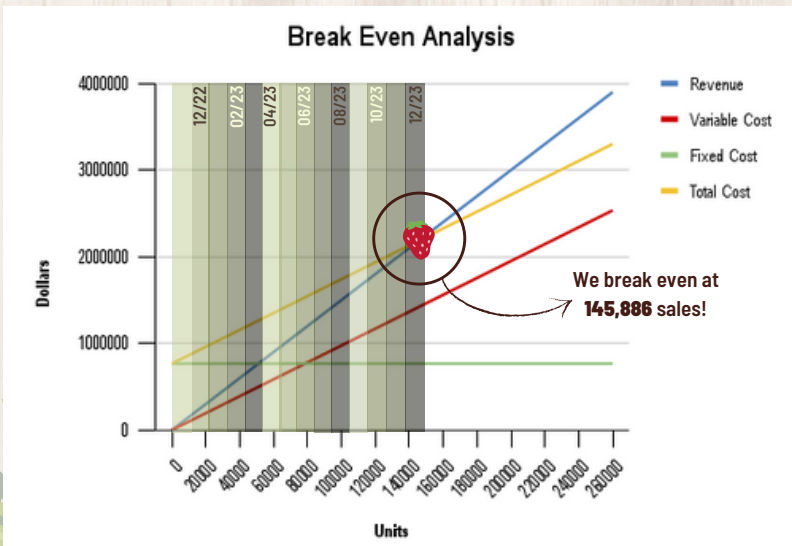
Position- As Umami creates meals with a wide selection of cultural cuisines and our self-heating packages, we are positioned in the consumers' minds as high quality, competitively priced, and empathetic to their needs. Umami's customers are busy, leading fast pace lives with little time to spare, and also value diversity, inclusion, and nutrition. Umami's comforting, healthy, and convenient means of providing nutritional meals represent various cuisines and cultures. We aim to provide our market with the knowledge, encouragement, and nutrition they need to have a successful day.

Promotion- Umami communicates its offerings and mission through the use of our social media presence and website. 80% of Generation Z uses social media to learn about new products.⁴ By posing weekly nutritional facts and meal highlights, we are able to educate and guide our audiences on how to make healthier choices daily. We reach out to our consumers mainly through TikTok and Instagram. In our survey, 70% of adolescents are primarily active on these two apps alone. We promote our company through holiday discounts, events, advertisements, and direct sales. Customers who buy from us automatically enroll in our online loyalty program, where they receive our monthly newsletter, promo codes, and points that redeem additional discounts. Additionally, Umami plans to host a Lunch and Learn Networking Event, where we will invite other Virtual Enterprise students to bring together people from across New York in an informal atmosphere to collaborate and drive personal, team, and business development. We will share samples of our delicious meals throughout the lunch and learn and create new partnerships with other VE firms. Umami also plans to branch out to other consumers through participation in regional, national, and international trade shows, allowing us to expand our brand to other VE students in different regions of the United States.

Price- Umami utilizes cost-based pricing to determine our average meal price. It costs on average \$9.75 to make our meals, and Umami sells it for an average price of \$15, a markup of 54%. Umami uses the demand-based pricing method to determine our bundle prices. Umami allows stronger purchasing power to our customers through these volume offerings of bundling or catering packages. The greater amount of meals purchased, the lower the cost to our customers. Our unique self-heating packaging, which cannot be found elsewhere in the market, is included in the price. Our partnership with a ghost kitchen provides us with a bulk of locally sourced organic ingredients, as well as packaging and shipping services. However, this monthly flat fee results in a higher cost of goods sold and thus, slimmer profit margins. In the future, owning our own kitchen will nullify this fixed expense and allow us to use a variable cost method to not only reduce per unit price, but increase profit margin as well.

RISK	STRATEGY
Reputation 	As a new company entering the food market, our marketing strategy will communicate our mission and care for the Gen-Zers, who will be the largest cohort of consumers in the near future. Through our consistent social media presence, our customers have easy access to weekly updates on our company's offerings and culture. Additionally, we disseminate monthly surveys to learn more about our customers' needs, and those who purchase our meals are automatically enrolled in our loyalty rewards program.
Dependence on Partnership with Ghost Kitchen 	Reliance on our ghost kitchen poses a threat to our mission and revenue stream. Conflicts with our partner, or even natural disasters, can be financially damaging and will cause us to lose customers. Umami is protected by our Business Owner's Policy, covering losses from property damage, peril, business interruption, and liability. Additionally, if we meet our annual revenue goals, we plan on purchasing and operating our own kitchen. For our current situation, Umami has relationships with other local Brooklyn restaurants that can offer our meals if our ghost kitchen is not operating. Though this will temporarily decrease our profit margin, we will continue to satisfy our customers' needs and offer refunds or meal credits for delayed or unsatisfactory orders.
Pandemics and Supply Chain Issues 	Our business has potential vulnerabilities as the amount of employee paid sick leave days increase, possible government-mandated closures rise and supply chains can be interrupted. Umami plans to purchase interruption insurance to cover any potential loss of income that can happen during the pandemic. However, only 5% of the food industry was impacted during the Covid-19 pandemic. ⁵ The increased demand for food delivery has fueled the growth of ghost kitchens as people needed a way to get a meal without going out. Umami tackles supply chain issues by obtaining locally sourced ingredients from farms in the tri-state area, eliminating the worry of international supply shortage and shipping. Any meals that require ingredients located outside of the United States will temporarily be removed from our menu or replaced with a new and different offering.

F I N A N C E



Umami is capitalized through **\$20,000** in seed money, **\$150,000** in equity financing, and **\$450,000** from the Out-of-Network Business Contract. Creating a break-even analysis allows Umami to set realistic goals. The average selling price is **\$15.00**, with an average cost of goods sold per sale being **\$9.75**. Our annual fixed costs is **\$765,902.80**. That leaves us with an average profit rate of **35%**. To calculate our variable costs, we took the average cost of goods sold per sale and multiplied that by the number of units sold. For example, selling 20,000 units has a variable cost of \$195,000. This represents a gross profit margin of 35%. We have projected to sell 10,694 units per month. Based on these figures, we project that we will break even in December 2023 at **145,886** units, which equates to **\$2,188,293.71** in sales. We break even in a little over a year, mainly due to our low prices. Umami's main goal is to provide not only delicious, but affordable meals.

Umami Balance Sheet As of Nov 30, 2022	
Assets	
Current Assets	
Cash	470,971
Total Current Assets	470,971
Fixed Assets	
Computers	10,690
Office equipment	750
Total Fixed Assets	11,440
Total Assets	482,411
Liabilities and Stockholders' Equity	
Current Liabilities	
Salaries payable	76,858
Payroll tax payable	35,752
Other payable	5,335
Total Current Liabilities	117,943
Total Liabilities	117,943
Stockholders' Equity	
Common stock, \$10 par value, * # shares issued	303,831
Additional paid-in-capital	
Retained earnings	60,839
Total Stockholders' Equity	364,469
Total Liabilities and Stockholders' Equity	482,411



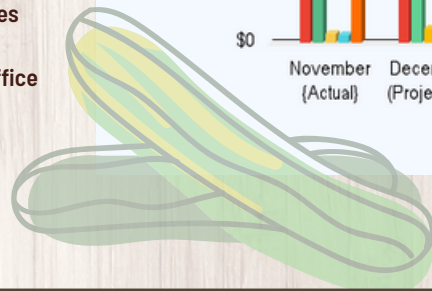
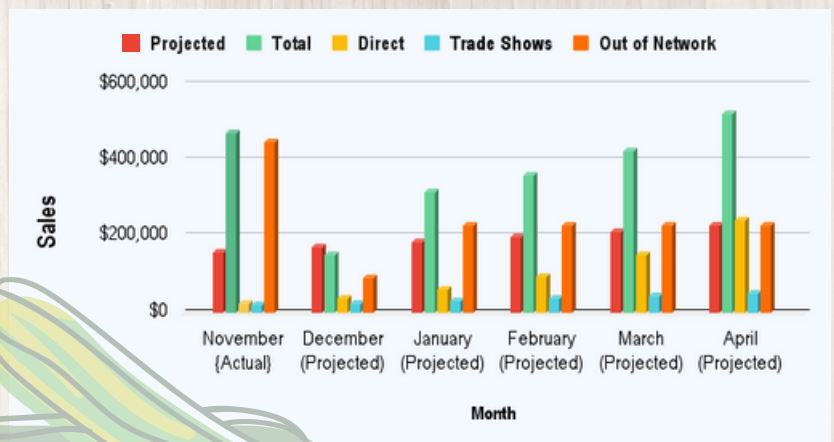
Balance Sheet Highlights

Throughout the fiscal year, Umami will have a gradual increase in projected total sales. We generate a majority of sales from Out of Network contracts. By April, Umami will no longer rely on Out of Contract sales and instead on direct sales (including trade shows). Allowed to utilize up to \$1,462,336 in Out of Network sales, a \$450,000 Out of Network sale was made in November, which is why Umami's total sales spiked. In December, we made the executive decision to utilize at least \$90,000 in Out of Network sales. After an executive review, we decided to sell an estimated \$230,000 in monthly Out of Network sales to spread out our revenue throughout the year and ensure cash flow.

Projected Sales

Regarding fixed assets, when renting our office, the furniture was already included. However, we paid for our computers and office supplies.

For current assets, Umami currently has cash and supplies. We are currently looking at investment vehicles for our extra cash. A majority of our supplies are already included in our contract with the ghost kitchen such as ingredients, but we did purchase office supplies for our employees.

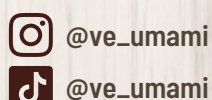


Projected Profit Highlights

Umami, LLC Profit and Loss Statement For the Year Ending 4/30/2023						
	Months:					
	November	December (Projected)	January (Projected)	February (Projected)	March (Projected)	April (Projected)
Sales revenues						
Sales	\$458,469.93	\$114,960.67	\$123,582.67	\$132,851.33	\$142,815.33	\$153,526.00
Trade fair revenues	\$16,061.23	\$57,480.33	\$61,791.33	\$66,425.67	\$71,407.67	\$76,763.00
Total sales revenues	\$474,531.16	\$172,441.00	\$185,374.00	\$199,277.00	\$214,223.00	\$230,289.00
Cost of goods sold or services provided	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00
Gross profit	\$424,531.16	\$122,441.00	\$135,374.00	\$149,277.00	\$164,223.00	\$180,289.00
Gross profit margin	12%	4%	37%	33%	30%	28%
Operating expenses						
Salaries	\$77,998.38	\$77,998.38	\$77,998.38	\$77,998.38	\$77,998.38	\$77,998.38
Rent	\$5,087.29	\$5,087.29	\$5,087.29	\$5,087.29	\$5,087.29	\$5,087.29
Payroll tax	\$35,751.63	\$35,751.63	\$35,751.63	\$35,751.63	\$35,751.63	\$35,751.63
Advertising	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00
Insurance	\$0.00	\$6,730.00	\$3,365.00	\$3,365.00	\$3,365.00	\$3,365.00
Supplies	\$1,440.00	\$1,440.00	\$1,440.00	\$1,440.00	\$1,440.00	\$1,440.00
Utilities	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00
Other	\$5,335.00	\$6,667.00	\$0.00	\$0.00	\$0.00	\$1,667.00
Total operating expenses	\$127,342.30	\$135,404.30	\$125,372.30	\$125,372.30	\$125,372.30	\$127,039.30
Income from operations	\$297,188.86	-\$12,963.30	\$10,001.70	\$23,904.70	\$38,850.70	\$53,249.70
Other revenues/gains and expenses/losses						
Net income before taxes	\$297,188.86	-\$12,963.30	\$10,001.70	\$23,904.70	\$38,850.70	\$53,249.70
Corporate income tax						
Net loss or gain after taxes	\$297,188.86	-\$12,963.30	\$10,001.70	\$23,904.70	\$38,850.70	\$53,249.70

In April 2023, Umami will project an estimated amount of \$230,289 in total sales revenue for the month. In November, the company produced a total of about \$470,000 in total sales revenue. But the majority of the sales are made through the \$450,000 Out of Network sale. For the rest of the fiscal year, Umami plans to make \$90,000 off of Out of Network sales each month, therefore staying at a steady increase in total sales from December to April. The company has decided to stick with a projected profit margin of 35% as we best believe it a reasonable number considering the number of employees Umami has. The price for utilities per month stands at \$550 in New York, and Umami spends \$1,440 per month in office supplies. Observing "other" expenses, Umami invests in a Nutritionist quarterly. The Nutritionist will inspect all dishes that Umami produces to properly ensure we are providing our customers with nutritional meals.

Contact Information



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Citations

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- <https://www.pewresearch.org/social-trends/2018/11/15/early-benchmarks-show-post-millennials-on-track-to-be-most-diverse-best-educated-generation-yet/>
- <https://99firms.com/blog/generation-z-statistics/#graf>
- <https://www.bls.gov/spotlight/2021/impact-of-the-coronavirus-pandemic-on-businesses-and-employees-by-industry/home.htm>