

# Sample Business Plan for a Successful Meal prep delivery service in the US

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FreshFuel Nutrition, LLC (Texas LLC founded March 15, 2024) operates a chef-prepared meal delivery service targeting busy professionals and health-conscious consumers in Texas. Co-founders Sarah Chen (ex-UT Health clinical dietitian, 8 years medical nutrition therapy) and Marcus Reed (ex-COO of \$5M organic smoothie chain) deliver nutritionist-approved meals at \$11.99/meal with 35% gross margin, targeting \$1.8M Year 1 revenue. Document dated October 26, 2023.

# 1. Executive Summary

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68% of Americans cite lack of time as barrier to healthy eating (Pew Research 2023), costing employers \$576 annual productivity loss per unhealthy employee (Harvard Business Review). FreshFuel solves this with chef-prepared, dietitian-designed meals delivered within 24 hours. We charge \$11.99/meal (5-meal minimum) with \$7.79 COGS, achieving 35% gross margin. Year 1 targets: 1,800 average customers, 12 meals/customer monthly, \$1.8M revenue. Fixed costs of \$75,000/month require 17,857 meals monthly to break even. Profitability achieved Month 18 with \$402,000 net income.

We seek \$750,000 seed funding: \$500,000 (67%) for kitchen buildout/equipment, \$150,000 (20%) for AI platform, \$100,000 (13%) for 12-month marketing runway. Funding enables 30-mile Austin delivery radius (85% metro coverage), 1,200 meals/day capacity, and expansion to Dallas/Houston by Q3 2025. Projected 22.3% net margin by Year 3 with \$5.1M revenue.

## 2. Company Overview

Texas LLC formed March 15, 2024, with 60% ownership to Sarah Chen (MS, RDN) and 40% to Marcus Reed. Leased 3,200 sq. ft. HACCP-compliant kitchen at 4200 Manchaca Road, Austin (zoned F-3 commercial). Location chosen for proximity to 78% of Austin's 979,000 residents earning \$84,000+ median household income.

Sarah Chen developed bariatric meal protocols at UT Health Austin serving 12,000+ patients annually. Marcus Reed scaled smoothie chain to \$5M revenue with 28% EBITDA margin. James Whitaker (CIA graduate) reduced food waste 18% as Uchi Austin Executive Chef.

Date	Milestone	Status	Next Steps
Mar 2024	Company formation, LLC filing	Complete	N/A
Apr 2024	Kitchen lease signed (5-yr @ \$6,000/mo)	Complete	N/A
May 2024	Texas DSHS food establishment license	Complete	N/A
Jun 2024	Initial \$150,000 SAFE note	Complete	N/A
Jul 2024	App MVP launch (iOS/Android)	Complete	Add AI engine by Oct 2024
Aug 2024	First 50 paying customers	Complete	Scale to 250 by Oct 2024
Oct 2024	Seed round close (\$750,000)	Pending	Deploy funds by Nov 15, 2024
Dec 2024	1,000 active customers	Target	Expand delivery radius to 30 miles

### 3. Market Analysis

U.S. prepared meal delivery market: \$14.2B revenue (IBISWorld 2023), 12.4% CAGR 2018-2023. TAM: \$14.2B (national ready-to-eat meals). SAM: \$3.1B (Southern U.S. urban centers). SOM: \$42M (Texas urban centers, 1.35% capture by Year 3 based on 10,000 subscribers x \$350 avg monthly revenue).

Primary segments: Busy professionals (30-45 yrs, \$80K+ household income, 42% of target), fitness enthusiasts (25-40 yrs, \$65K+ income, 33%), health-managed patients (22% referral-driven). 62% prefer ready-to-eat over DIY kits (McKinsey 2023); 47% pay 15%+ premium for dietary-specific meals (NielsenIQ 2023).

Segment	Size (\$)	Growth Rate	Our Share Target	Rationale
Busy Professionals	\$1.3B	14.2%	0.85%	42% of SOM; \$84K Austin median income supports \$11.99/meal
Fitness Enthusiasts	\$1.02B	16.7%	1.10%	33% of SOM; 28% higher LTV than average customer
Health-Managed Patients	\$744M	19.3%	0.65%	22% of SOM; physician partnerships drive 35% lower CAC
Families	\$42M	11.8%	0.40%	3% of SOM; family packs drive 22% higher order frequency

Category	Total Addressable	Serviceable Available	Serviceable Obtainable	Methodology
National Market	\$14.2B	N/A	N/A	IBISWorld 2023 report
Southern US	N/A	\$3.1B	N/A	1. Texas population 29.5M (23% of US) x \$14.2B TAM x 94% urban density
Texas Urban	N/A	N/A	\$42M	2. 10,000 subscribers x \$350 avg monthly revenue x 12 months

## 4. Competitive Analysis

Market leaders: Factor (\$420M revenue, 18% market share), Freshly (\$310M, 14%), Territory Foods (\$95M, 6%). Weaknesses: Factor's COGS at 62% limits customization; Freshly's frozen meals have 31% customer churn; Territory lacks physician partnerships. Local competitors (Fit Food Austin, My Fit Foods) average \$1.2M revenue with 15-mile delivery radius.

Competitive advantages: 1) 85% Texas-sourced ingredients reduce COGS by 8% vs national competitors; 2) AI meal engine increases retention to 72% (vs industry 65%) by adapting to feedback; 3) Physician network drives 35% lower CAC (\$24.70 vs \$38 industry average); 4) Daily fresh prep enables 4.7/5 taste rating (vs Factor's 4.1).

Competitor	Revenue Est.	Pricing	Key Strength	Key Weakness	Our Differentiation
Factor	\$420M	\$13.50/meal	National logistics	Frozen meals, 62% COGS	Daily fresh prep, 65% COGS
Freshly	\$310M	\$10.99/meal	PepsiCo distribution	31% churn rate	AI personalization (72% retention)
Territory Foods	\$95M	\$14.50/meal	Fitness focus	Limited dietary tracks	6 dietary tracks + medical protocols
Fit Food Austin	\$1.2M	\$12.99/meal	Hyperlocal	15-mile radius	30-mile radius, AI engine
H-E-B Meal Prep	\$85M	\$9.99/meal	Retail convenience	Inconsistent nutrition data	Dietitian-designed, verified macros

Strengths	Weaknesses	Opportunities	Threats
85% local sourcing (8% COGS advantage)	Limited delivery radius (Year 1)	Texas corporate wellness market (\$220M)	Factor's \$50M Texas ad spend
AI meal engine (72% retention)	No owned delivery fleet (Year 1)	Medicare coverage for medically tailored meals	Beef price volatility (+22% 2023)
Physician referral network	Dependent on 3 key farms	Partnership with Life Time Austin (18K members)	Texas DSHS regulation changes

1,200 meals/day capacity	Brand awareness 0%	Expansion to Dallas/Houston (12.3M pop)	Refrigerated van lease costs +15%
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## 5. Products & Services

We deliver chef-prepared meals with 30-45 minute heat-and-eat preparation. Core offering: 5/7/10 meal weekly plans in 6 dietary tracks (keto, plant-based, etc.). Specialty programs include 21-Day Metabolic Reset (\$199) and nutrition coaching (\$99/month). Meals prepared daily under HACCP protocols, vacuum-sealed, chilled to 38°F within 1 hour.

Pricing at \$11.99/meal (5-meal minimum) achieves 35% gross margin vs competitors' 28-32%. \$1.50 premium over H-E-B justified by dietitian oversight and 47% repeat purchase rate. Family packs priced at \$39.99 (4 servings) vs \$47.96 a la carte, driving 22% higher order frequency.

Tier	Price	Features	Target Customer	Expected % Rev	Gross Margin
Basic (5 meals)	\$59.95	3 dietary tracks	Busy professionals	55%	35%
Premium (10 meals)	\$107.90	6 dietary tracks + recipe cards	Fitness enthusiasts	30%	37%
Family Pack	\$39.99	4 servings, kid-friendly	Families	10%	32%
Nutrition Coaching	\$99/mo	1:1 sessions, custom plans	Health-managed patients	5%	85%

Metric	Value	Calculation/Notes
Price per meal	\$11.99	Average across tiers
COGS per meal	\$7.79	\$4.20 ingredients, \$2.10 packaging, \$1.49 labor
Gross Profit per meal	\$4.20	\$11.99 - \$7.79
Gross Margin %	35%	\$4.20 / \$11.99
CAC	\$38.00	\$15,000 monthly ad spend / 395 new customers
LTV	\$350.00	8.3 months avg retention x \$42.00 monthly revenue

LTV:CAC	9.2:1	\$350 / \$38 (exceeds 3:1 benchmark)
Payback Period	5.2 months	\$38 CAC / (\$42 monthly revenue x 35% margin)

## 6. Marketing & Sales

Primary channel: Google Ads (\$15,000/month) targeting "meal prep Austin" (1,900 searches/mo) with \$2.40 CPC, 3.2% CTR, 4.1% conversion. Secondary: Instagram/TikTok (\$8,000/mo) with fitness influencers (CPM \$8.50, conversion 2.8%). Referral program drives 22% of new customers at \$24.70 CAC (vs \$38 paid).

Sales cycle: Free \$9.99 trial (38% conversion to paid). App onboarding averages 7.2 minutes. 68% select auto-renewal at sign-up. Average sales cycle: 9.3 days from first ad click.

Retention: AI recommendations increase order frequency 18%. Loyalty program (1 free meal every 50) reduces churn to 2.8%/month (vs 3.5% industry). Quarterly nutrition check-ins drive 31% coaching upsell rate.

Channel	Monthly Budget	Expected CAC	E Conversion L Rate	Expected Customers/Month	ROI	
Google Ads	\$15,000	\$42.00	6.250%	256	7.4x	
Instagram/TikTok	\$8,000	\$33.50	2.358	2.8%	66	9.2x
Referral Program	\$4,000	\$24.70	N/A00%	162	12.1x	
Corporate Wellness	\$2,000	\$18.90	1058%	40	14.3x	
Total	\$29,000	\$38.00	8.713%	524	9.8x	

Month	Google Ads	Social Media	Content/SEO	Events	Other	Total	Expected Leads	Expected Customers
1	\$15,000	\$8,000	\$2,000	\$1,000	\$500	\$26,500	7,850	250
2	\$15,000	\$8,000	\$2,000	\$1,500	\$500	\$27,000	8,100	275
3	\$15,000	\$8,000	\$2,000	\$2,000	\$500	\$27,500	8,250	300
4	\$15,000	\$8,000	\$2,000	\$2,500	\$500	\$28,000	8,400	325
5	\$15,000	\$8,000	\$2,000	\$3,000	\$500	\$28,500	8,550	350
6	\$15,000	\$8,000	\$2,000	\$3,500	\$500	\$29,000	8,700	375
7	\$15,000	\$8,000	\$2,000	\$4,000	\$500	\$29,500	8,850	425
8	\$15,000	\$8,000	\$2,000	\$4,500	\$500	\$30,000	9,000	475
9	\$15,000	\$8,000	\$2,000	\$5,000	\$500	\$30,500	9,150	525
10	\$15,000	\$8,000	\$2,000	\$5,500	\$500	\$31,000	9,300	575
11	\$15,000	\$8,000	\$2,000	\$6,000	\$500	\$31,500	9,450	625
12	\$15,000	\$8,000	\$2,000	\$6,500	\$500	\$32,000	9,600	675

## 7. Operations

Daily workflow: 5:00 AM ingredient prep (12 local farms), 7:00 AM cooking (3 stations), 1:00 PM blast chilling, 3:00 PM delivery loading. Tuesday-Saturday delivery windows (5:00-8:00 PM) via 3 leased Ford Transit Connect vans (GPS-tracked, \$400/month each). Capacity: 1,200 meals/day with 2-hour batch cooking. HACCP protocols include hourly temp logs and pre-delivery pathogen testing.

Inventory management: 72-hour max shelf life. 10% buffer stock for volatile items (beef, shrimp). Multi-sourced suppliers prevent single-point failure. App tracks real-time inventory with automatic reordering at 20% stock levels.

Vendor/Supplier	Service	Monthly Cost	Contract Terms	Backup Option
Barton Creek Organics	Produce	\$8,000	Month-to-month	Spring Hill Farms
Texas Wagyu Ranch	Beef	\$12,000	6-month min	Lockhart Meats Co-op
Gulf Wild	Seafood	\$6,500	3-month min	Travis Seafood Market
EcoSafe Packaging	Containers	\$3,200	12-month	GreenPack Solutions
Uber Freight	Backup delivery	\$1,500	On-demand	N/A

Tool	Purpose	Monthly Cost	Users	Alternatives Considered
HubSpot	CRM	\$1,200	5	Salesforce (too complex)
AWS	Cloud hosting	\$850	3	Google Cloud (higher cost)
Twilio	Delivery tracking	\$300	All	SendGrid (less reliable)
QuickBooks	Accounting	\$150	2	Xero (limited integrations)
Toast	Inventory mgmt	\$200	3	MarketMan (higher fees)

## 8. Management Team

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12 FTE structure: \$310,000 annual payroll. Key roles: Head Chef (\$75,000), Operations Manager (\$82,000), CTO (\$95,000). Compensation at 90th percentile for Austin food tech to retain talent. No equity grants in Year 1; 10% bonus pool for hitting EBITDA targets.

Advisory board: Dr. Alicia Mendez (endocrinologist, 0.25% equity), Emily Zhang (VC partner, 0.15% equity), Carlos Rivera (logistics expert, \$1,500/month retainer). Bi-weekly operational reviews.

Month	Role	Salary	Priority	Source	Onboarding Time
1	Nutritionist	\$68,000	High	LinkedIn	30 days
2	Sous Chef	\$55,000	High	Culinary schools	45 days
3	Delivery Manager	\$52,000	Medium	Indeed	21 days
4	App Developer	\$110,000	High	AngelList	60 days
6	Marketing Specialist	\$58,000	Medium	Referrals	14 days
9	2nd Sous Chef	\$55,000	Low	Internal promo	0 days

## 9. Financial Plan

Key assumptions: 5.4% monthly customer acquisition rate, 2.8% monthly churn, \$11.99 avg meal price, \$7.79 COGS/meal, \$38 CAC. Fixed costs: \$75,000/month (rent, salaries, tech). Variable costs: 65% of revenue. Growth: Linear from 250 to 4,200 customers over 12 months.

Revenue model: 75% from meal plans, 20% from add-ons (coaching, family packs), 5% corporate wellness. Growth drivers: 22% referral rate, 18% order frequency increase from AI, 31% coaching upsell.

Cost structure: 65% COGS (ingredients 53%, packaging 27%, labor 20%), 35% OpEx. Fixed costs 57% of OpEx (\$42,750/month), variable 43% (\$32,250/month). Costs scale at 0.7x revenue growth due to kitchen capacity utilization.

Funding: \$750,000 covers \$649,400 startup costs + \$100,600 working capital. Runway: 14 months. Milestones: 1,000 customers by Month 6, Dallas expansion at Month 10.

Category	Qty	Cost	Notes
Legal/Formation		LLC \$2,500 filing, operating agreement	Completed
Licenses/Permits		Texas \$8,200 DSHS, Austin food permit	Completed
Equipment	3	\$45,000 convection ovens	Leased @ \$750/mo
Equipment	1	\$28,000 Blas chiller	Purchased
Equipment	2	\$18,000 Wall refrigerators (2)	Purchased
Technology		App \$95,000 development	Phase 1 complete

Technology	AI engine	\$55,000	Pending
Initial Inventory	First 2 weeks ingredients	\$18,500	Based on 500 meals/w
Marketing Launch	Website, branding, launch campaign	\$50,000	Includes \$20k influence
Working Capital	3 months OpEx reserve	\$225,000	\$75k x 3
Insurance	General liability, product	\$8,400	Annual premium
Professional Fees	Legal, accounting setup	\$12,000	Completed
Facility Setup	Kitchen buildout	\$10,000	Ventilation, plumbing
Branding	Packaging design, logo	\$7,500	Completed
Training	Staff certification (12 staff)	\$1,200	\$100/per
Contingency	10% buffer	\$64,940	Of total costs
Total		\$649,400	

Category	Monthly Cost	Annual Cost	Notes
Rent	Fixed \$6,000	\$72,000	3,200 sq. ft. @ \$2.00/sq. ft.
Salaries	Fixed \$25,833	\$310,000	12 FTEs avg \$64,167/yr
Benefits	Fixed \$5,167	\$62,000	20% of payroll
Insurance	Fixed \$2,000	\$24,000	General liability + product
Software	Fixed \$2,700	\$32,400	HubSpot, AWS, QuickBooks
Utilities	Fixed \$1,500	\$18,000	Electricity, water, gas
Marketing	Variable \$29,000	\$348,000	See Section 6 table
Food Ingredients	Variable \$51,635	\$619,620	53% of COGS
Packaging	Variable \$21,445	\$253,740	27% of COGS
Labor (production)	Variable \$15,859	\$190,308	20% of COGS
Delivery	Variable \$1,167	\$110,000	Fuel, van leases, tips

Supplies	Variable	\$2,500	\$30,000	Cleaning disposab
Fixed Total		\$42,750	\$513,000	
Variable Total		\$100,206	\$1,202,472	
Combined Total		\$142,956	\$1,725,472	

Line Item	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1 Total
Revenue	\$15,467	\$17,014	\$18,561	\$20,107	\$21,654	\$23,201	\$26,294	\$29,388	\$32,481	\$35,575	\$38,668	\$41,762	\$299,572
COGS	\$10,054	\$11,059	\$12,064	\$13,069	\$14,075	\$15,080	\$17,092	\$19,104	\$21,116	\$23,128	\$25,140	\$27,152	\$194,722
Gross Profit	\$5,413	\$5,955	\$6,497	\$7,038	\$7,579	\$8,121	\$9,202	\$10,284	\$11,365	\$12,447	\$13,528	\$14,610	\$104,850
Marketing	\$26,500	\$27,000	\$27,500	\$28,000	\$28,500	\$29,000	\$29,500	\$30,000	\$30,500	\$31,000	\$31,500	\$32,000	\$348,000
Salaries	\$25,833	\$25,833	\$25,833	\$25,833	\$25,833	\$25,833	\$25,833	\$25,833	\$25,833	\$25,833	\$25,833	\$25,833	\$310,000
Rent	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$72,000
Software	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700	\$32,400
Insurance	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$24,000
Other OpEx	\$9,704	\$9,222	\$8,740	\$8,258	\$7,776	\$7,294	\$6,294	\$5,294	\$4,294	\$3,294	\$2,294	\$1,294	\$78,600
Total OpEx	\$72,737	\$72,755	\$72,773	\$72,791	\$72,809	\$72,827	\$72,327	\$71,827	\$71,327	\$70,827	\$70,327	\$69,827	\$865,000
EBITDA	-\$67,324	-\$66,800	-\$66,276	-\$65,753	-\$65,230	-\$64,706	-\$63,125	-\$61,543	-\$59,962	-\$58,380	-\$56,799	-\$55,217	-\$760,150
Depreciation	\$5,412	\$5,412	\$5,412	\$5,412	\$5,412	\$5,412	\$5,412	\$5,412	\$5,412	\$5,412	\$5,412	\$5,412	\$64,940
EBIT	-\$72,736	-\$72,212	-\$71,688	-\$71,165	-\$70,642	-\$70,118	-\$68,537	-\$66,955	-\$65,374	-\$63,792	-\$62,211	-\$60,629	-\$825,090
Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Income	-\$72,736	-\$72,212	-\$71,688	-\$71,165	-\$70,642	-\$70,118	-\$68,537	-\$66,955	-\$65,374	-\$63,792	-\$62,211	-\$60,629	-\$825,090

Line Item	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Beginning Cash	\$750,000	\$677,264	\$605,052	\$533,364	\$462,199	\$391,557	\$321,439	\$252,902	\$185,947	\$120,573	\$56,781	-\$5,430
Cash In	\$15,467	\$17,014	\$18,561	\$20,107	\$21,654	\$23,201	\$26,294	\$29,388	\$32,481	\$35,575	\$38,668	\$41,762

Total Cash In	\$15,467	\$17,014	\$18,561	\$20,107	\$21,654	\$23,201	\$26,294	\$29,388	\$32,481	\$35,575	\$38,668	\$41,762
Cash Out	\$87,736	\$89,226	\$90,249	\$91,272	\$92,295	\$93,318	\$94,751	\$96,339	\$97,850	\$99,368	\$100,889	\$102,391
Total Cash Out	\$87,736	\$89,226	\$90,249	\$91,272	\$92,295	\$93,318	\$94,751	\$96,339	\$97,850	\$99,368	\$100,889	\$102,391
Net Cash Flow	-\$72,269	-\$72,212	-\$71,688	-\$71,165	-\$70,641	-\$70,117	-\$68,457	-\$66,951	-\$65,369	-\$63,793	-\$62,221	-\$60,629
Ending Cash	\$677,264	\$605,052	\$533,364	\$462,199	\$391,557	\$321,439	\$252,902	\$185,947	\$120,573	\$56,781	-\$5,430	-\$66,059

Metric	Y1	Y2 Q1	Y2 Q2	Y2 Q3	Y2 Q4	Y3 Q1	Y3 Q2	Y3 Q3	Y3 Q4	Y3 Total
Revenue	\$1,800,000	\$525,000	\$600,000	\$675,000	\$750,000	\$825,000	\$900,000	\$975,000	\$1,050,000	\$3,750,000
COGS	\$1,170,000	\$341,250	\$390,000	\$438,750	\$487,500	\$536,250	\$585,000	\$633,750	\$682,500	\$2,437,500
Gross Profit	\$630,000	\$183,750	\$210,000	\$236,250	\$262,500	\$288,750	\$315,000	\$341,250	\$367,500	\$1,312,500
OpEx	\$1,232,000	\$295,000	\$310,000	\$325,000	\$340,000	\$355,000	\$370,000	\$385,000	\$400,000	\$1,510,000
EBITDA	-\$602,000	-\$111,250	-\$100,000	-\$88,750	-\$77,500	-\$66,250	-\$55,000	-\$43,750	-\$32,500	-\$197,500
Net Income	-\$825,090	-\$151,000	-\$135,000	-\$119,000	-\$103,000	-\$87,000	-\$71,000	-\$55,000	-\$39,000	\$402,000
Ending Cash	-\$66,059	\$18,941	\$153,941	\$308,941	\$483,941	\$658,941	\$833,941	\$1,008,941	\$1,183,941	\$1,585,941

Metric	Value	Calculation
Monthly Fixed Costs	\$75,000	Rent \$6k + Salaries \$25.8k + Benefits \$5.2k + Insurance \$2k + Software \$2.7k + Utilities \$1.5k + Depreciation \$5.4k + 50% Marketing \$14.5k
Variable Cost per Meal	\$7.79	COGS breakdown
Price per Meal	\$11.99	Average across tiers
Contribution Margin per Meal	\$4.20	\$11.99 - \$7.79
Contribution Margin %	35%	\$4.20 / \$11.99

Break-Even Units per Month	17,857	\$75,000 / \$4.20
Break-Even Revenue per Month	\$214,105	17,857 x \$11.99
Expected Break-Even Month	Month 18	Per cash flow projection
Safety Margin	12.3%	(20,357 meals projected Month 18 - 17,857) / 20,357

Metric	Y1	Y2	Y3	Industry Benchmark
Gross Margin %	35%	35%	35%	30-40% (food delivery)
Operating Margin %	-68.1%	-18.5%	10.7%	-20% to 5%
Net Profit Margin %	-45.8%	-12.9%	10.5%	-15% to 8%
Current Ratio	0.8	1.2	2.1	1.5+
Quick Ratio	0.7	1.0	1.8	1.0+
CAC Payback	5.2 months	4.1 months	3.3 months	6-18 months
LTV:CAC Ratio	9.2:1	11.5:1	14.0:1	3:1 minimum
Monthly Burn Rate	\$68,758	\$0	N/A	N/A
Runway (months)	10.9	N/A	N/A	N/A

## 10. Risk Analysis

Top risks: 1) Ingredient cost volatility (45% probability, 30% revenue impact) - beef prices rose 22% in 2023; 2) Customer churn above 4% (30% probability, 25% revenue impact) - industry average 3.5%; 3) Regulatory non-compliance (20% probability, 50% revenue impact) - Texas DSHS fines up to \$5,000/violation; 4) Delivery failure (25% probability, 15% revenue impact) - 12% of customers churn after missed delivery.

Mitigation: 1) Multi-sourcing with 3+ suppliers per category; 7-day inventory buffer; 20% price adjustment clause in contracts. 2) AI churn prediction model (87% accuracy in trials) triggers retention offers at 80% risk threshold. 3) Monthly third-party HACCP audits; \$2M product liability insurance; real-time temp monitoring. 4) Uber Freight backup (\$1.50/mile); \$25 compensation for late deliveries.

Risk	Impact (1-5)	Risk Score	Mitigation Strategy	Contingency Plan	Owner	
Beef price volatility	4 4	16	Multi-sourcing; 20% price adjustment clause	Shift to chicken (30% lower COGS)	COO	
Customer churn >4%	3	4	12	AI churn prediction; loyalty program	Free coaching session for at-risk	CEO
DSHS non-compliance	2 5	10	Monthly third-party audits; temp monitoring	Emergency kitchen certification	CNO	
Delivery failure	3 3	9	Uber Freight backup; real-time tracking	\$25 credit + free meal	COO	
App downtime	2 4	8	AWS redundancy; daily backups	Manual order processing	CTO	
Key staff departure	2 3	6	90th percentile compensation; cross-training	Temp agency contract	CEO	
Competitor price war	3 3	9	Physician partnerships; AI retention	Launch \$9.99 basic tier	CEO	
Farm supply disruption	2 4	8	12 local farms; 7-day buffer stock	Shift to regional distributors	CNO	

## 11. Implementation Timeline

Critical path: Kitchen buildout completion (Month 2), AI engine integration (Month 4), Dallas expansion (Month 10).  
Dependencies: DSHS approval required before delivery launch; marketing spend scales with customer acquisition capacity. Key priority: Achieve 500 customers by Month 3 to validate unit economics.

Month	Milestone	Deliverables	Resources Needed	Success Metric	Owner
1	Kitchen buildout completion	HACCP-certified facility	\$180k buildout budget	DSHS approval	COO
2	App MVP launch	iOS/Android 1.0 release	\$95k dev budget	500 app downloads	CTO
3	First 500 customers	500 active subscribers	\$27.5k marketing spend	38% trial conversion	CEO
4	AI engine integration	Personalization algorithm live	\$55k dev budget	15% order frequency increase	CTO
5	Corporate wellness pilot	3 corporate contracts	\$2k sales budget	\$15k MRR	CEO
6	1,000 active customers	1,000 subscribers	\$29k marketing spend	2.8% monthly churn	CEO
7	Break-even production	600 meals/day capacity	2nd sous chef hire	35% gross margin	COO
8	Customer retention program	Loyalty system launch	\$5k dev budget	72% retention rate	CTO
9	Dallas market research	Feasibility report	\$10k research budget	15% target penetration	CEO
10	Dallas expansion	500 Dallas customers	\$50k marketing budget	\$50k MRR	COO
11	Houston market entry	300 Houston customers	\$40k marketing budget	\$30k MRR	COO
12	Profitability achieved	Positive net income	N/A	\$33,500 net profit	CFO

## 12. Appendix

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Supporting documents available: 12-month cash flow model (Excel), supplier contracts, DSHS compliance certificates, customer acquisition cost analysis. All assumptions documented with source data from IBISWorld, NielsenIQ, and internal pilot tests. Full financial model available upon request.