



DELIBUDDY

Vos cocinas, nosotros llevamos

Entrepreneurship Project

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Industry, company and product

Industry

The gastronomic industry in Argentina is wide and varied. Especially in Buenos Aires city and its metropolitan area there exist more than 10.000 of restaurants and bars. From the 90's until today, the delivery service, provided by this same restaurants has experienced an enormous growth, having become an important part of the gastronomic business for many companies. The idea under this service is that customers would call the restaurant for a meal and it would cook and deliver it to the customer's home in certain time.

Company

Our company name will be "Delibuddy", which is a combination of the words "Delivery" and "Buddy". The idea is to give the impression of a young but trustworthy company whose ideas are new, innovative and worth to be given an opportunity. That is why our vision and philosophy will be trying to provide a service that is faster, cheaper and smarter than the current situation.

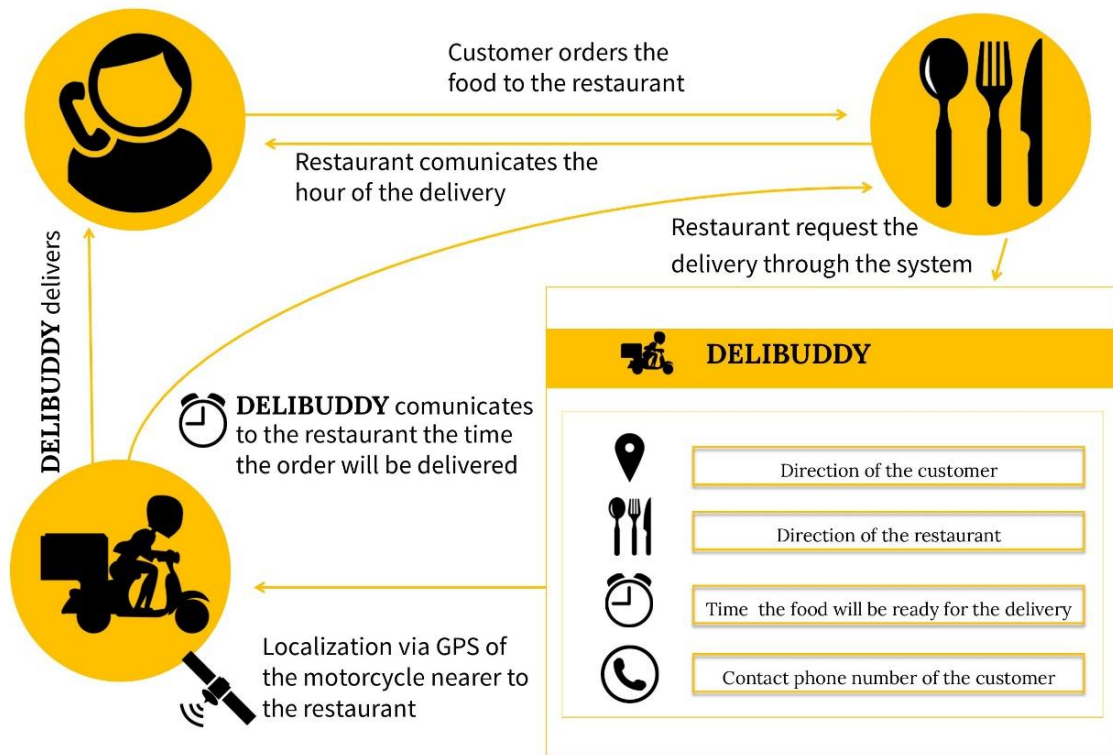
The owners of the company do not have experience in the gastronomic industry but know about the local culture, informatics, mechanics and logistics, with a solid background in business administration and contacts all over the engineering fields. Therefore the technological and logistic aspects of the service we want to provide are likely to be solved relatively easily, while the selling and bureaucratic tasks will depend on strategic hiring.

Note that at the beginning of our business, our company will be a "SME" (small or medium enterprise), and will have many financial, banking and bureaucratic benefits promoted by the government for this type of companies.

Services

Nowadays the industry works in the following way. When a customer wants to order food, he calls a restaurant which provides a delivery service. Once the meal is cooked, there exist two options: the order carried away by the restaurant motorcycles/cars fleet or it calls a taxi company to do the delivery for them.

The idea behind our service is that the restaurants externalize the logistic, transport and payment part of their services, letting us do it as it will be cheaper, faster and better organized than the actual services they provide. In the following figure a scheme illustrating the idea can be observed.



Service scheme.

Note that once the restaurant’s customers place an order, the restaurant will request our service via a computational system installed in their computers. Then, the system will determine which is the optimal driver that should look for the order, and the route he should take. Once the delivery has been done, the payment is done to the driver, which eventually will leave the money in our offices. Every night, a bank transfer will be made to the restaurant with the money gathered minus our service fee.

Market research and analysis

Customers

Our service is oriented, at least at the first stages of the business, towards the restaurants which provide the delivery service by their own means or wish to do it in the future. The restaurant owners are generally specialized in the preparation of the food and the establishment management; on the other hand, the delivery service offered is generally poorly handled with delays in the distribution of the orders, potential customers ignored and minimum profit.

Size and trends of the market

Although the market is extremely large, with tens of thousands of restaurants all along the principal cities of the country, we are going to focus our service in “Gran Buenos Aires”, which englobe the satellite cities of the capital of the country (City of Buenos Aires). In order to begin our business, a specific city was selected due to the familiarity of the team to its customs and gastronomic offer as well as the practical distribution of its restaurants: Pilar.



Municipality of Pilar

Pilar has a population of about 296.000 inhabitants with around 300 restaurants. It is located north-west of Buenos Aires, connected to it by highway know as route nº8 or North-access. The high amount of movement of people from their homes to their offices each day causes an agglomeration of houses and shopping facilities around this primal access.



Restaurants near Route Nº8

The area shown in the previous picture is the one we intend to operate. This particular distribution of customers (restaurants along the highway) and housing (north and south of it), allow a fast movement for motor vehicles with no more than 20 minutes of travel between the farthestmost points of interest.

Note that once a critical number of customers is achieved in the area, the exploitation area can be extended, with special interest in the other satellite cities surrounding Buenos Aires.

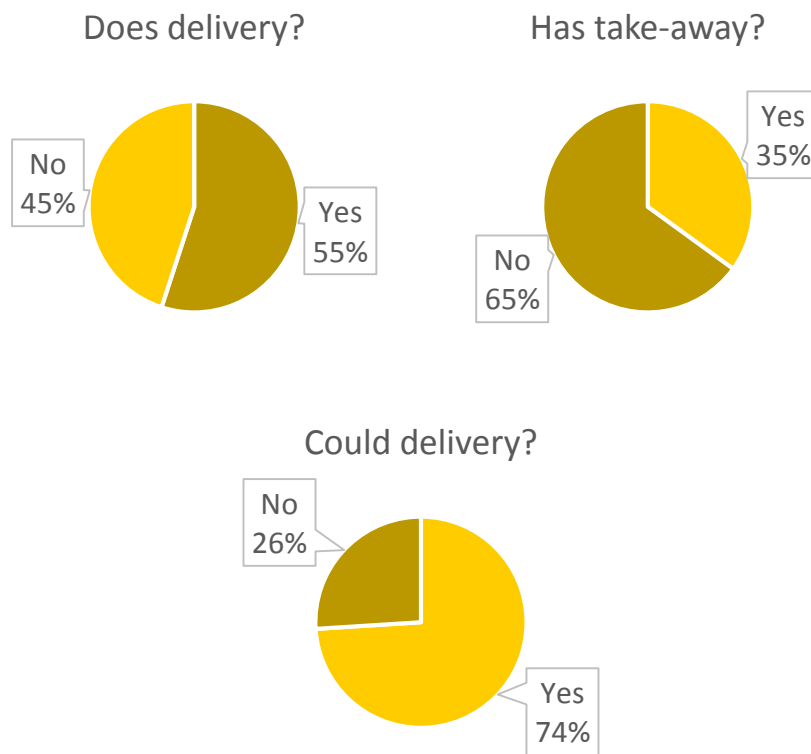
Competitors

Today, there exist only two competitors to the service we intend to sell: the restaurant themselves which have their own fleet of motorbikes or cars to do the delivery and the taxi ("remises") companies which carry around the orders in the backseat of their vehicles.

In the city of Buenos Aires, there exist a webpage called "PedidosYa!" which allows to order via web and offers a delivery service. Nowadays it only works in the city but it does not reach the geographical area we are interested in.

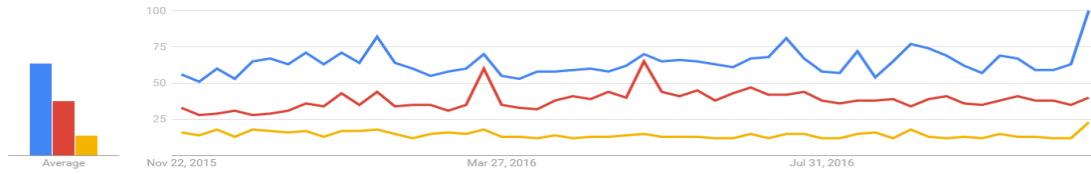
Sales forecast and market share

A detailed study was done in order to know the amount of restaurants that could benefit from our service, the results can be observed in the following figure.

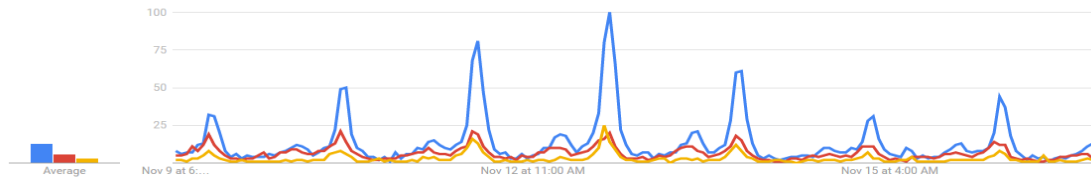


From the previous graphs it can be noted that around 165 businesses offer a delivery service while around 100 other restaurants that do not are potential customers if the service is convenient for them.

Additionally, the seasonality of the industry was observed through google trends tool, which allows to plot the variations in the web search of different topics, filtered by area. To obtain the following plot, 3 typical delivery dishes were searched.



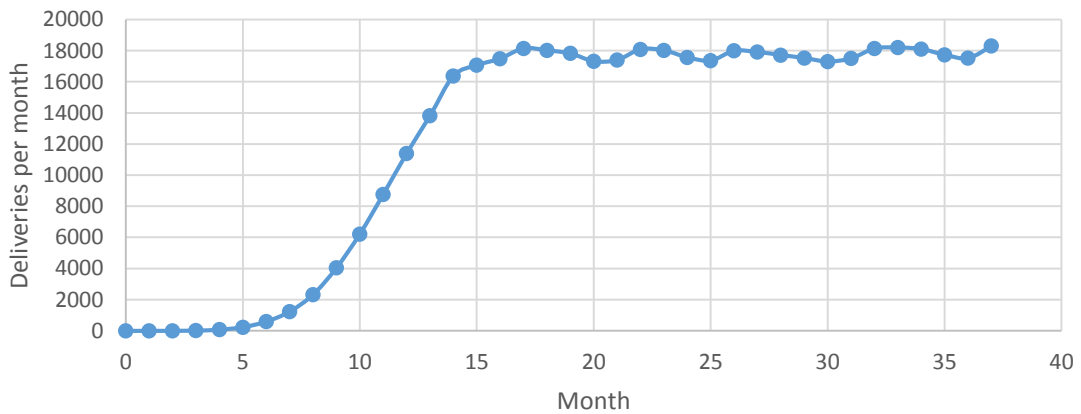
Yearly seasonality. (Blue: pizza, red: empanadas, yellow: sushi)



Weekly seasonality. (Blue: pizza, red: empanadas, yellow: sushi)

No yearly seasonality was observed, although it was in the weekly one. Note that peaks for the three foods appear regularly, coinciding with the typical lunch and dinner times. The two highest values are on Saturday and Sunday nights. This information is used later for logistic purposes.

In order to quantify a sales forecast, a mean drive of 5km was set to be a "sale". The following evolution of sales is expected as a minimum (only a share of 20% of the 55% restaurants that already does delivery was taken into account).



Sales forecast

In the first months no sales are expected as it is considered a preparation phase, then an almost linear growth is regarded until the sales goal is reached.

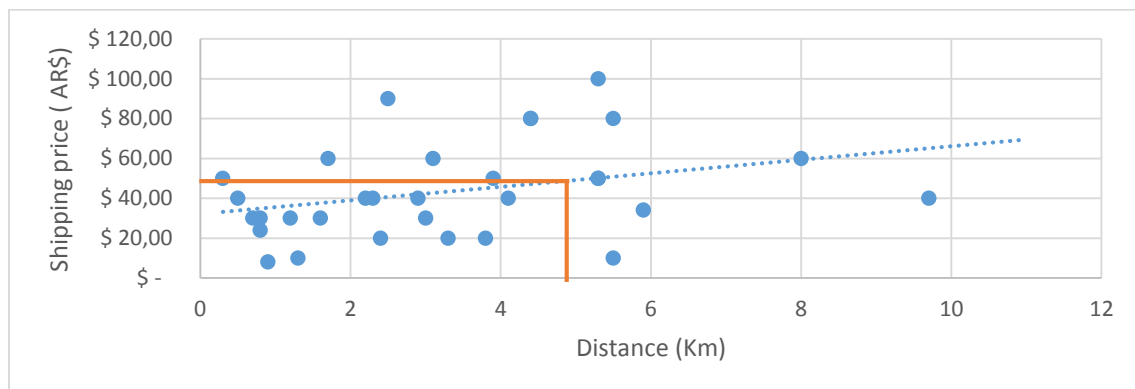
Marketing plan

General Marketing Strategy

The marketing and sales strategy will be carried out by the same department, under the leadership of one manager. This means that the pricing and communication strategy will be tightly connected. Knowing the strengths and weakness of our service the salesman will be prepared to exploit every opportunity that the market has to offer.

Pricing policy

First, an analysis of the prices of one competitor were analysed to set a reference price.



Shipping prices of PedidosYa! for different distances

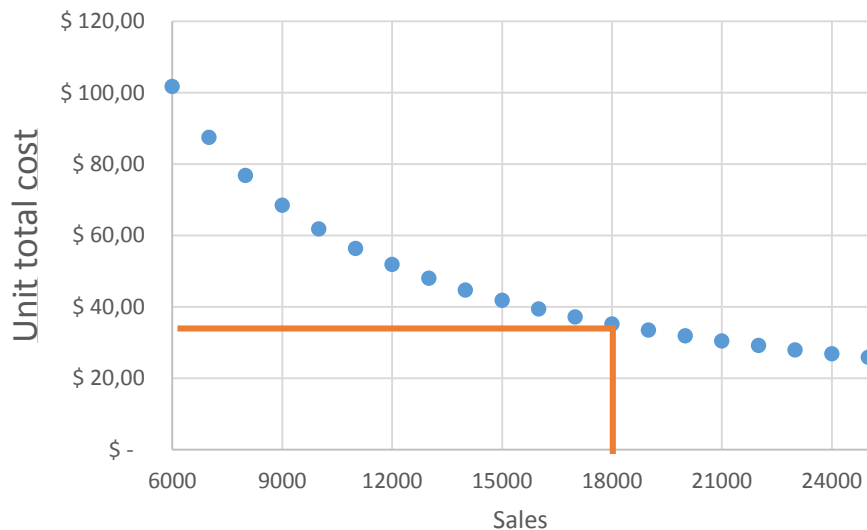
Although the data is scattered, a linear regression was done in order to find the mean price for a 5km trip (mean sell).

Secondly, the different cost for providing the service were analysed.

- Variable cost: it takes into account the price of the fuel for a motorbike to do a 5km trip. Knowing the price today and a typical performance of this type of vehicles, it was set to 2AR\$ per sale.
- Fix cost: the cost which do not depend on the amount of sales done.

Salaries	\$ 286.500,00
Wages	\$ 268.800,00
Insurance	\$ 11.700,00
Renting	\$ 9.200,00
Depreciation	\$ 6.388,33
Server	\$ 1.000,00
Office material	\$ 500,00
Maintenance	\$ 15.000,00
	\$ 599.088,33

- Total cost: here the two cost were taken into account to know the unitary cost, which drops as the amount of sell increase.



Total cost of production

Note that for the amount of expected deliveries per month, the cost for providing the service is 35AR\$. A 10AR\$ margin is considered, giving a selling price of 45AR\$, which is lower than the reference price.

Service and guarantee policy

As the service not only includes the delivery but also charging in cash for the food. This would mean that instead of the customer paying to us, we will have to give the charged amount of money minus the price of delivery. This payment will be done via bank transfer each day at the end of the night.

Two guarantees will be done to the customer. Firstly, that the product will be delivered in time, as the optimization of the logistics is our strength over their current situation. If the restaurant's customer was not conforming with our service, no charge would be done to the restaurant for that delivery. Secondly, we are responsible for the transportation of money from the delivery points to our offices and later to our customers. This means that if the delivery is done successfully, the payment will be done at the end of the night, regardless any external inconvenience, for example loosing or stealing of the cash.

Communication strategy and organization of sales

In this case we have to deal with a limited quantity of potential clients. No advertising will be carried out in the mass media, instead a team of salesman will perform physical visits to the restaurants to offer our services and promote the advantages of the externalization of the delivery operations.

As a selling strategy, in order to penetrate this new market, price reductions to the prices discussed before will be done, and increased once the final amount of customers is achieved.

Design and development plans

DELIBUDDY is the first company to offer this service to in the area, this may be a strength but also a weakness as there could be an absence of trust form the customers. A good way to analyse and determine our development plans as a company is doing a SWOT analysis, where we can easily see which are our strength, weaknesses, opportunities and threads. This analysis allows us to determine which

parts of our company should be developed first to succeed. In the following table we can see the SWOT analysis.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Optimal cost and delivery time due to our system • Knowledge of the local culture. • First Company to offer this service in the area • Young entrepreneurial team. • Intuitive user interface for the customers • In the future we can extend our service also to the buying experience. 	<ul style="list-style-type: none"> • Inexperience in the industry. • Absence of trust from the customers for being new in the industry. • Cost and delivery time is highly dependent on the optimal performance of the system. • System tuning can take longer than expected. • High fixed costs → many sales needed.
Opportunities	Threats
<ul style="list-style-type: none"> • Growing market in Pilar as well as other cities nearby. • More adjustable prices, we only offer the delivery part. • Easy and fast bureaucracy to create new companies (new legislation) 	<ul style="list-style-type: none"> • A change of government could happen in 2019. • High inflation and interest rates, although expected to decrease. • The current system is simpler for the companies. • Market resist change • Copycats are likely to appear if the business works

At a first glance we can see that starting our company should be easy, as we are going to work in a growing market and this can be extended to other cities nearby Pilar and seems to be easy and fast to create new companies due to new legislation. But on the other hand we can see that to be competitive and trustable we need to develop a very good system that allows us to do a fast and good delivery service. So our first action should be developing an intuitive user interface that can calculate which delivery man of our fleet is going to do the delivery faster. This requires an excellent tuning of our system.

We also have to take into account that our service is going to be more optimal but it is also more complex and this could make the restaurants to continue with their own delivery service.

Operations plan

Geographical location

As we have seen almost all the restaurants in Pilar are located in route nº8 so the company headquarters should be located near the restaurants. We are also going to need a garage where we can keep our motorcycles when the delivers are not working. To decide where to locate them we have taken into account the same criteria that for the company headquarters, as our customers are located around. In the following image we can see an option of our geographical location.



Office and garage locations

As we can see our office is a point where the deliverers can easily stop to leave the money they have collected from the previous deliveries.

Facilities

Our facilities are basically the company headquarters and the garage where we are going to store the motorcycles that are essential for doing the delivery of the food from the restaurant to the houses of the restaurant customers.

Managerial team

Organization

The organization of our company is going to be the following:

Finance department also CEO

- 1 Manager

Operation department

- 1 Manager
- 20 drivers (depends on the production level)

Logistics + IT department

- 1 Manager
- 1 Assistant

Marketing + Sales department

- 1 Manager
- 2 Field salesman

HR department

- 1 Manager

Accounting

- Externalized

It is important to note that the operation department is the one with more employees as this are the ones responsible of the deliveries, it is also important to notice that the drivers are not always a fixed number as we have a clearly weakly seasonality needing more drivers during the weekends and the nights of the week and less for the rest of the day.

The first department to be working has to be the logistics and IT department as are the ones that are going to develop the system that optimizes our delivery system.

Management salaries and participation in Equity

We have five managers, as we can see in the organization shown before, one for each department, finance, operation, marketing and sales and human resources. The salary of each one of the managers is \$ 46.500 per month.

The participation in equity for the investors is of 50% and the rest is for the entrepreneurial team.

Professional support services

As we have seen in the organization section the accounting of the company will be externalized. This makes us to be focus on the management of all the system of delivery and trust in an external accountant.

Another professional support service that we need in our company is a mechanic that will be in charge of the maintenance and repair of the fleet of motorcycles that we need to do de deliveries.

Calendar

Recent legislative changes, approved in September 2016 under the framework 'Argentina Emprende', allow for the creation and registration of SMEs in a period of 24 hours.

The month 0 will take place on January 2017, in which the first investment is expected. Also the offices will be prepared to accommodate the workers.

The following 4 months will be dedicated to preparing and tuning the logistic software basic to the operation and the deliveries. In parallel the sales team will start arranging contracts with restaurant willing to use our service.

By June 2017 the deliveries will start, initially with a reduced crew of delivery men and increasing it as the sales also do.

In January 2018, one year after the first investment, the break event point will be surpassed and the company will start generating benefits; and therefore setting part of it as dividends.

July 2018 is the month in which the steady number of deliveries will be reach, and finally in July 2020 the whole quantity invested during the first month will have been completely recovered by the dividends. At this point the future of the company will have to be decided, for instance whether expanding the area of exploitation, or adding more services to the ones actually sold.



Risks and critical problems

With a history of economic instability through the later years, Argentina is currently suffering from a notoriously high increase in its inflation, being this a symptom of an ill economy. Being that the government hasn't made public the inflation during the last years, unofficial sources (<http://www.inflacionverdadera.com/>) have estimated that it has been growing since 2011, placing it in a considerable 36.2 % in 2016.

Historic CPI indexes:

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Index	24.0%	23.8%	16.4%	25.9%	24.0%	26.0%	23.3%	38.5%	26.8%	36.2%

Since the change of government in the end of 2015, the data is again public. Various macroeconomic measures have been taken in order to decrease it, being it one of the main goals of the current administration, expecting to get to one digit inflation by 2020.

Forecast CPI indexes:

Year	2017	2018	2019	2020	2021
Index	20.0%	17.0%	10.0%	08.0%	06.0%

Another important factor to business is the rate of interest at which the banks loan their money. It is expectable that in a rough economic situation, banks are reluctant to let money off easily, and this can be seen in the fact that most banks lend money with an interest of 50% or even exceeding a 100%.

Being that those two factors directly affect the development of entrepreneurial projects, in the particular case of the business model presented in this document they do not excessively perturb our expectations. Firstly, having a supply model comparable to the so called 'on demand manufacturing', frees us from

having devaluation of our stock; additionally we follow a scheme of low cost-high volume, so economic instability shouldn't affect much the expected sales.

Regarding the second factor, it has been said to not affect us, as it would be shown in the following section that any kind of trade with banks results in an unsustainable outcome for the company.

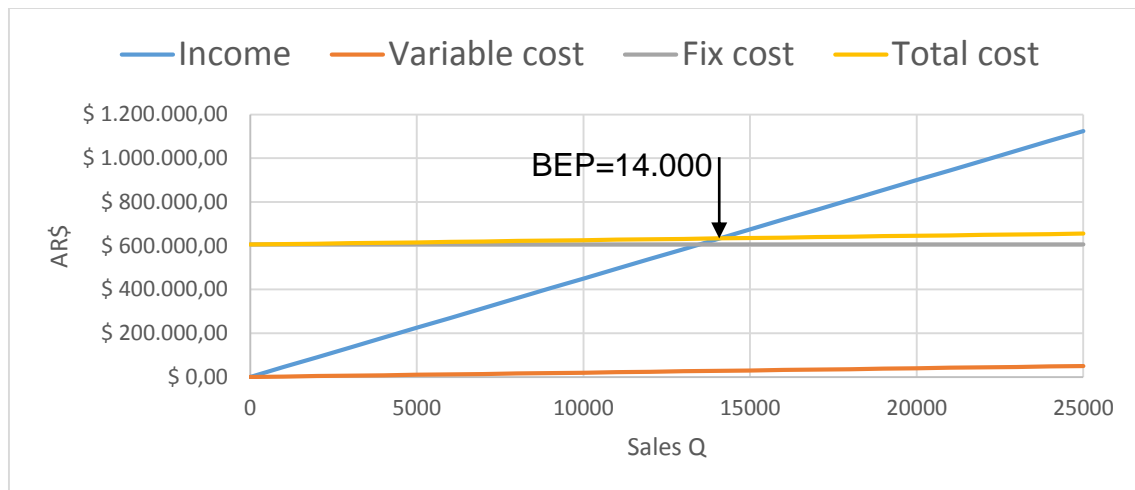
Financial plan

Break-event analysis

Using the information previously stated in the pricing section, a break event point analysis is carried out.

It can be seen that the point in which the company starts making profit is placed at 14.000 monthly deliveries (sales). Also important to appreciate is that total cost is mainly contributed by the fixed cost of operations; the last makes that slightly shifts from the BEP results in considerable losses or gains.

For the steady expected sales of 18.000 the gross profit is places at \$ 200.000,00



Leverage analysis

In order to determine the best way to finance the creation and growth of our company, a leverage analysis has been done. Our asset evaluation has been established to be mainly non-tangible (bank deposits) as we lack any major properties under ownership nor storage of raw materials. On the other hand, the debt has been considered to be the remaining needed capital (total capital needed is \$ 2.480.000,00)

Considering the following information

Cost p/unit	Price p/unit	Interest rate	Corporate tax
\$ 2,00	\$ 45,00	50%	35%

Three scenarios have been studied

Case 1: Debt = \$0.00

Units sold	9000	12000	15000	18000	21000	24000
Revenue	\$405.000,00	\$540.000,00	\$675.000,00	\$810.000,00	\$945.000,00	\$1.080.000,00
Cost of goods sold	\$18.000,00	\$24.000,00	\$30.000,00	\$36.000,00	\$42.000,00	\$48.000,00
General expenses	\$599.088,00	\$599.088,00	\$599.088,00	\$599.088,00	\$599.088,00	\$599.088,00
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income before tax	\$-212.088,00	\$ -83.088,00	\$45.912,00	\$174.912,00	\$303.912,00	\$ 432.912,00
Corporate tax	\$ -	\$ -	\$16.069,20	\$ 61.219,20	\$ 106.369,20	\$ 151.519,20
Net Income	\$-212.088,00	\$ -83.088,00	\$29.842,80	\$113.692,80	\$ 197.542,80	\$ 281.392,80
Return on Equity (ROE)	-52,4%	-20,5%	7,4%	28,1%	48,8%	69,5%

Case 2: Debt = \$ 620.000,00 (25% of total needed)

Units sold	9000	12000	15000	18000	21000	24000
Revenue	\$405.000,00	\$540.000,00	\$675.000,00	\$810.000,00	\$945.000,00	\$1.080.000,00
Cost of goods sold	\$ 18.000,00	\$24.000,00	\$30.000,00	\$36.000,00	\$42.000,00	\$48.000,00
General expenses	\$ 599.088,00	\$599.088,00	\$599.088,00	\$599.088,00	\$599.088,00	\$599.088,00
Interest	\$ 310.000,00	\$310.000,00	\$310.000,00	\$310.000,00	\$310.000,00	\$310.000,00
Income before tax	\$-522.088,00	\$-393.088,00	\$ -264.088,00	\$-135.088,00	\$ -6.088,00	\$ 122.912,00
Corporate tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43.019,20
Net Income	\$-522.088,00	\$-393.088,00	\$ -264.088,00	\$ -135.088,00	\$ -6.088,00	\$ 79.892,80
Return on Equity (ROE)	-128,9%	-97,1%	-65,2%	-33,4%	-1,5%	19,7%

Case 3: Debt = \$ 1.240.000,00 (50% of total needed)

Units sold	9000	12000	15000	18000	21000	24000
Revenue	\$ 405.000,00	\$ 540.000,00	\$ 675.000,00	\$ 810.000,00	\$ 945.000,00	\$ 1.080.000,00
Cost of goods sold	\$ 18.000,00	\$ 24.000,00	\$ 30.000,00	\$ 36.000,00	\$ 42.000,00	\$ 48.000,00
General expenses	\$ 599.088,00	\$ 599.088,00	\$ 599.088,00	\$ 599.088,00	\$ 599.088,00	\$ 599.088,00
Interest	\$ 620.000,00	\$ 620.000,00	\$ 620.000,00	\$ 620.000,00	\$ 620.000,00	\$ 620.000,00
Income before tax	\$ -832.088,00	\$ -703.088,00	\$ -574.088,00	\$ -445.088,00	\$ -316.088,00	\$ -187.088,00
Corporate tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Income	\$ -832.088,00	\$ -703.088,00	\$ -574.088,00	\$ -445.088,00	\$ -316.088,00	\$ -187.088,00
Return on Equity (ROE)	-205,5%	-173,6%	-141,8%	-109,9%	-78,0%	-46,2%

From the tables above, it can be seen that even with only 25% of the initial capital coming from bank loans, the amount of sales required to make the company sustainable increases considerably, and that for a 50% the company completely fails to generate any profit.

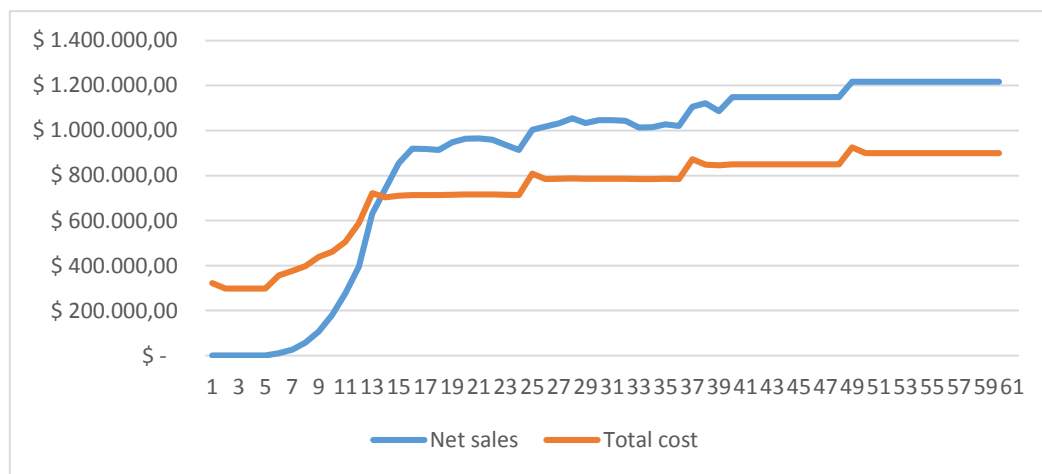
Assets inventory

Below is listed the expected inventory, later used to compute the yearly depreciation of the assets.

Item	Value	Bought	depreciation
Office furniture	85000	01/2017	10 year
Office computers	40800	01/2017	5 year
3 x motorcycles	45000	06/2017	5 year
2 x motorcycles	30000	07/2017	5 year
2 x motorcycles	30000	08/2017	5 year
2 x motorcycles	30000	09/2017	5 year
2 x motorcycles	30000	10/2017	5 year
2 x motorcycles	30000	11/2017	5 year
2 x motorcycles	30000	12/2017	5 year
2 x motorcycles	35100	01/2018	5 year
1 x motorcycles	17550	02/2018	5 year
2 x motorcycles	35100	03/2018	5 year

Estimated income statement

Considering all data previously presented (no debt, the expected sales evolution, the cost of the delivery, fixed cost, inflation forecast, etc.) the evolution of sales income and cost of operations is represented



It can be seen that during the first year, the operation would be at lost, but once the 14.000 deliveries are overpassed the two curves evolve almost parallel, being that the gross profit remains constant in advanced time.

The extended yearly income statement is as follows:

	2017	2018	2019	2020	2021
Revenue					
Sales	\$ 1.054.291,30	\$ 10.667.641,09	\$ 12.353.256,46	\$ 13.648.308,14	\$ 14.605.273,09
Sales return	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales	\$ 1.054.291,30	\$ 10.667.641,09	\$ 12.353.256,46	\$ 13.648.308,14	\$ 14.605.273,09
Cost of operations	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries	\$ 3.438.000,00	\$ 4.022.460,00	\$ 4.424.706,00	\$ 4.778.682,48	\$ 5.065.403,43
Wages	\$ 918.000,00	\$ 3.538.080,00	\$ 3.891.888,00	\$ 4.203.239,04	\$ 4.455.433,38
Depreciation	\$ 32.409,96	\$ 75.409,96	\$ 76.659,96	\$ 76.659,96	\$ 76.659,96
liability insurance	\$ 25.000,00	\$ 25.000,00	\$ 25.000,00	\$ 25.000,00	\$ 25.000,00
insurance vehicle	\$ 40.800,00	\$ 157.248,00	\$ 172.972,80	\$ 186.810,62	\$ 198.019,26
Renting	\$ 98.400,00	\$ 115.128,00	\$ 126.640,80	\$ 136.772,06	\$ 144.978,39
Office material	\$ 6.000,00	\$ 6.935,00	\$ 7.663,50	\$ 8.288,28	\$ 8.798,45
Maintenance	\$ 5.100,00	\$ 19.656,00	\$ 21.621,60	\$ 23.351,33	\$ 24.752,41
fuel	\$ 58.571,74	\$ 592.646,73	\$ 686.292,03	\$ 758.239,34	\$ 811.404,06
sever	\$ 12.000,00	\$ 14.040,00	\$ 15.444,00	\$ 16.679,52	\$ 17.680,29
Total cost	\$ 4.634.281,70	\$ 8.566.603,69	\$ 9.448.888,69	\$ 10.213.722,64	\$ 10.828.129,63
Post operation finances	\$ -	\$ -	\$ -	\$ -	\$ -
Bank loan	\$ -	\$ -	\$ -	\$ -	\$ -
Net income	\$ -3.579.990,40	\$ 2.101.037,40	\$ 2.904.367,78	\$ 3.434.585,50	\$ 3.777.143,46
Interest	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes	\$ -	\$ 735.363,09	\$ 1.016.528,72	\$ 1.202.104,92	\$ 1.322.000,21
PAT (profit afer taxes)	\$ -3.579.990,40	\$ 1.365.674,31	\$ 1.887.839,06	\$ 2.232.480,57	\$ 2.455.143,25
Dividend	\$ -	\$ 1.139.821,03	\$ 1.510.271,24	\$ 1.785.984,46	\$ 1.964.114,60
Investment return (net)	\$ -	\$ 21.120,92	\$ 23.709,52	\$ 38.522,62	\$ 46.561,80
retained money	\$ -3.579.990,40	\$ 246.974,20	\$ 401.277,33	\$ 485.018,74	\$ 537.590,45
Capital increase	\$ 3.800.000,00	\$ -	\$ -	\$ -	\$ -

Estimated Balance sheet

Year 2017

<u>ASSETS</u>		<u>LIABILITIES</u>	
Current assets		Current liabilities	
Cash	\$ 3.253.028,26	Accounts payable	\$ 115.500,00
Accounts receivable	\$ 1.054.291,30	Salaries	\$ 3.438.000,00
Insurances	\$ 65.800,00	Wages	\$ 918.000,00
Investments	\$ -	Taxes	\$ -
Investments return	\$ -		
Properties		<u>STOCKHOLDERS</u>	
Office material	\$ 125.800,00	Retained	\$ -3.579.990,40
Vehicles	\$ 225.000,00	Dividends	\$ -
(less) Depreciation	\$ 32.409,96	Stock	\$ 3.800.000,00
Total assets	\$ 4.691.509,60	Total liabilities and equity	\$ 4.691.509,60

Year 2018

<u>ASSETS</u>		<u>LIABILITIES</u>	
Current assets		Current liabilities	
Cash	\$ 400.000,00	Accounts payable	\$ 148.824,00
Accounts receivable	\$ 10.667.641,09	Salaries	\$ 4.022.460,00
Insurances	\$ 182.248,00	Wages	\$ 3.538.080,00
Investments	\$ 2.117.532,23	Taxes	\$ 735.363,09
Investments return	\$ 21.120,92		
Properties		<u>STOCKHOLDERS</u>	
Office material	\$ 125.800,00	Retained	\$ 246.974,20
Vehicles	\$ 225.000,00	Dividends	\$ 1.139.821,03
(less) Depreciation	\$ 107.819,92	Stock	\$ 3.800.000,00
Total assets	\$ 13.631.522,32	Total liabilities and equity	\$ 13.631.522,33

Cost control system

Having seen that most of the costs come from the salaries and wages, a first and clear mechanism to control the cost is having the right amount of deliveryman in the crew as it represents approximately 40% of the total cost of operations. As explained in the first sections, the extent of the crew is optimally computed forecasting demand peaks through the days and weeks.

Another way to indirectly control costs, is keeping a continuous track in the competence prices, trying always to sell cheaper, but always maximizing the benefit.

An important component of our company is the logistic software, which allows to take the maximum advantage of the employed crew of deliveryman, and at the same time minimizing variable costs.

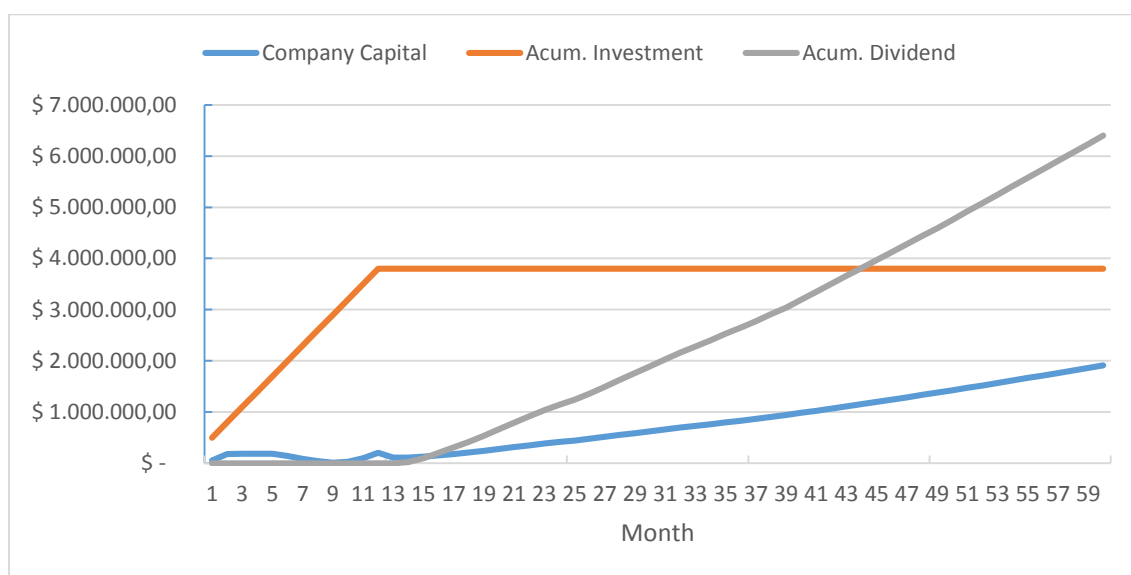
Proposal to investors

Financial needs

Consequence of operating for almost a year below the break event point, the initial investment needed is AR\$ 2.488.000,00. However as this money is not needed straight away from the first month, the total amount would be collected sequentially.

The main reason to not ask for an initial full investment mainly resides in the economic situation. Due to the large inflation, money depreciates quickly, so the company would then have to place that money strategically in long term deposits in order to get an interest rate similar to the inflation. Being that the company is not dedicated to this kind of operations, it is preferable that shareholders operate with their money at their will, independently to the company.

After the period of investments, once the company starts making benefits and can survive on its own, dividends are going to be paid. By sending 80% of the gross benefits to dividends, the initial investment would be recovered after three years and a half.



Shares offered and expected composition of shareholders group

The external investors will own 50% of equity, while the entrepreneurial team will keep the other 50% (spread equally among them). Company capital is to be split into a total of 10.000 shares.

Additionally, through the existence of an anti-dilutive clause, the entrepreneurial team reserves the right to issue shares without diluting their 50% of equity in case further capital is needed.

The external investors are expected to be private entities (although not restricted to be otherwise) and preferably with intention to become long term shareholders in order to keep stable growth.

Use of funds

The money placed in the company will be used to maintain growth by progressively increasing the crew, such that more deliveries can be made, and demand can be met.

Although previously said that it is not the main purpose of the company to operate on the financial market, all money kept in bank deposits will be strategically placed in order to compensate for the high inflation.