

**Wastepect**

# Note of Intent

by the Global Chocolate Siblings

# 1. Problem

According to the Ademe, a French citizen throw away around 20kg of food per year. It represents more than one meal per week. Out of 10 million tones of food thrown away each year in France, 33% comes from consumers. An article written in June 2018 in Le Monde points out that 10 million tons represents a waste of 16 billions of euros.

We want to stand out against food waste, and reach the goal established by the Pacte National de Lutte contre le Gaspillage in 2013, aiming at halving food waste by 2025.

Food waste means overproduction of food goods. In order to reach the amount of food wanting by that system, producers have no choice but use intensive farming, which destroys biodiversity.

Moreover, upstream, the entire food production cycle (farming, transforming, storage, logistics and distribution) emits a great amount of green house gazes (1 meal = 5kh of GHG). Downstream, waste treatment generates also important energetic spendings.

It matters because if we carry on in that way, resources will be quickly exhausted.

Yet, there are some constraints. Due to our actual system, wastes are an inherent part in large distribution. Customers want choice and quantity and cannot be completely predictable. Moreover, according to the theory developed by D. Roux, customers are mainly resistant to change. This is a great issue when we know that 53% of French people do not pay attention to the amount of waste due to their purchase behaviour. (Epem study)

**→ How can we reduce food waste in France, knowing that the actual way of consumption relies on overconsumption and that change management needs time ?**



## 2. Proposed Concept

### Name : Wastepect

We want to develop a consulting firm acting in schools and companies that would carry out two simultaneous actions during our interventions: practical advice and awareness raising. On the one hand, we will establish a study (quantitative and qualitative) of the context and propose concrete actions to reduce food waste within the establishment. On the other hand, we will offer conferences and workshops to employees and schoolchildren in order to try to change the behaviour of the French in the face of waste.

The services we will offer will be charged for by companies. Our solution is easy to implement. Since we will first work with freelance consultants, our solution is easily implemented because little investment will be required to start being profitable.

The particularity of our concept is based on its hybrid business model, which allows it to be sustainable while

maximizing its social and ecological impact. The paid service we offer to companies will allow us on the one hand to support the activity of our company and on the other hand to offer the same free services in schools.

Moreover, we believe that we are able to implement this solution. The needed expertise can be quickly attained, the consulting group will mainly rely on concrete ideas. Similarly, the quantification of food waste in an organisation can be easily done. For instance, we can ask the employees to put in different bins all that can not be eaten (yoghurt pots,...) and unused products during one week. Concerning awareness, figures and informations about food waste in France are also very accessible. The main problem today is that they lack of visibility. Using this content and our skills (some of us have experiences in communication), we are able to produce an impactful campaign against food waste.



### 3. Expected Positive Impacts

Our business model will allow us to have two types of impacts. On the one hand, business consulting with companies will allow it to be sustainable and on the other hand, our awareness-raising work will help to change the way French people consume.

The direct benefits are :

- a net reduction of food waste in collective catering that will keep growing over time with a significant decrease in unused products (which remain in stock, surplus orders) and products used (taken by people) but not or half consumed
- a contribution of concrete solutions to fight against waste: the knowledge of the environmental stakes will be reinforced by methods, a help to the setting up and a regular follow-up to measure the effectiveness and to help the organizations of collective catering with the implementation of solutions
- new management with remaining merchandise stocks significantly reduced that will lead to lower costs
- Awareness of all generations about the ecological issues related to food waste

The indirect benefits are:

- an awareness of ecological issues beyond the food waste that can lead to the adoption of other actions to preserve the environment (recycling, pollution, etc.)
- targets extended to families and the entourage of children and workers aware.

We believe that it is essential to raise awareness among consumers, children and adults, so that they can change their consumption habits. The workplace for adults and the school for children are strategic places of awareness because this is where most people spend most of their time and because these places are more easily penetrated than places of private life. We believe that if we can raise awareness among children and adults in school and the workplace, they will then adapt this mentality in their daily lives.

The consulting firm is a flexible structure that allows us to continually adapt to new challenges by adding, removing or modifying our areas of expertise and skills. We also provide complete personalized solutions that are attractive to our clients because they include awareness and practice.



## 4. Major risks and actions to reduce them

It may be difficult to convince companies to start taking initiatives to reduce their food waste. People's habits are difficult to change due to conformism and impunity. Changing consumer habits might also be difficult (for individuals) knowing that they do not directly observe the damage produced by food waste encourage mass buying. Difficulty in predicting the quantity of meals to be prepared in collective canteens due to dietary restrictions or tastes.

The main refractors would be the actors of the large distribution, whose interests diverge. They encourage over-consumption that necessarily leads to food waste. Proposing a solution to better quantify food needs goes against their goal of maximizing quantities sold. Retail lobbies are the most likely to oppose this initiative. Their influence and capacity for action could sow doubt among potential users of the service who, in addition to have to change their eating habits, would have to hear a contradictory speech.

The main risk is the lack of receptivity of companies or schools. The implementation of prevention and information campaign would minimize it. Also, the possibility of demonstrating the shortfall generated by food waste proves the relevance of the project. The difficulty of quantification at the start is another challenge. Carrying out surveys on a representative sample would make it possible to have a more precise estimate of the quantities according to the tastes, restrictions etc ...



## 5. Deployment strategy and major milestones

The particularity of our business model enables us to be self-sustainable over time. After three years, we hope that our activity in enterprises will generate enough profit sustain our pro-bono activity in schools.

As we are working almost exclusively with freelancers, we will have relatively low fixed costs which means that we can function with relatively low levels of investments in the beginning. This means that we won't have to focus too much time on fundraising as our activity will be auto-financed.

We will focus the first six months of the first year on gathering clients, meaning enterprises, in order to generate enough profit to finance our pro-bono activity in schools. After six months, we will start reaching out to schools. In the first year, we plan on financing our activity 50% from outside financing (public and private funds) and 50% from reinvesting our retained earnings. In the second year, we hope to reduce outside financing to 30% and then to 0 in the third year so that we can be completely self sustainable.



## 6. Return on Investment Analysis

Return on investment preview							
COST OF CAPITAL	ON FIVE YEARS						
INVESTMENTS	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	RESULTATS
Costs of operations and							
1- service delivery	6 500 €	1 500 €	1 500 €	1 500 €	1 500 €	2 000 €	VAN - €
2- Communication and other expenses	7 500 €	7 500 €	7 500 €	7 500 €	7 500 €	8 000 €	ROI 35,2066%
3- External speakers remuneration	10 000 €	12 000 €	15 000 €	30 000 €	32 000 €	35 000 €	BREAK EVEN 1,0 year
	24 000 €	21 000 €	24 000 €	39 000 €	41 000 €	45 000 €	
							TOTAL >> 194 000 €
EARNINGS	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	
Revenues from							
1- consulting	12 000 €	22 000 €	25 000 €	40 000 €	50 000 €	62 000 €	
2- Customers retention	- €	2 000 €	3 000 €	4 000 €	5 000 €	6 000 €	
	12 000 €	24 000 €	28 000 €	44 000 €	55 000 €	68 000 €	
							TOTAL >> 231 000 €
CASH FLOW	ANNÉE 0	ANNÉE 1	ANNÉE 2	ANNÉE 3	YEAR 4	YEAR 5	
NET	(12 000) €	3 000 €	4 000 €	5 000 €	9 000 €	13 000 €	



## 7. Organization

Since food waste is a real problem and has been an important issue for some years, numerous studies, benchmarks and surveys have already been carried out. Thanks to this, we already have a database allowing us to analyze the issues and difficulties that companies and school structures are facing. In addition, most of the different groups and companies now have a laboratory or a branch "RSE", namely the corporate social responsibility that companies take into account on a voluntary basis environmental, ethical and social issues.

Therefore, it is quite possible that our initiative is strongly solicited by the companies benefiting from a strong RSE or precisely those wishing to develop this branch and reduce the environmental impact of their organization. For instance, the start-up Vendredi allows people working in companies to devote one

day of their week to work for associations and non-profitable organizations. In return of a label for their companies, they could work for us.

Concerning schools, national education, town halls as well as departmental and regional structures often support this kind of program, which proves to be free and beneficial for all young citizens who are students. Finally, many associations and applications fighting against waste, for the solidarity and social economy can engage with us to lead to a real change of mind and concrete progress. For instance, we could collaborate with Le Chaînon manquant, to reduce food waste by giving the surplus to people in need.

