



**pick&** DRIVE

Pick & Drive KG

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# 1. The idea



- The Pick & Drive KG is a online foodstuff supermarket
- You order your basket via the internet and pick it up later on, when you have time
- The products are similar to a regular supermarket
- The service ensures stress-free and easy shopping journeys
- It is perfect for working people
- No more long waiting lines
- You need just 5 minutes for your shopping and “Time is money”

# 1. The idea



## How to buy at Pick & Drive

1. You order online whenever you want
2. You come to our drive-in area and give us your order number
3. You pay your bill via cash, credit or customer card
4. We bring your basket with your goods to you
5. You drive home stress-free and happy

=> All within only 5 minutes

## 2. Organizational form



### **The Pick & Drive KG – A limited partnership**

- 2 General partners, which are full liable without limits
  - Mr. Thomas Fink
  - Mr. Martin Schiek
- 1 Limited partner, which is only liable for his financial investments
  - Mr. Martin Schmitz

## 2. Organizational form



### **The advantages of a limited partnership**

- The effort to launch the company is low
- A differentiation between the private and the limited liability is important for the limited partners
- The private liability of the general partners ...
  - ...inspires the suppliers with trust
  - ...increases the credit rating of the partnership
- To increase the capital and to expand the company, the partnership can get new limited partners any time

# 3. Market research



## Competitors / target market

### Ordinary supermarkets

- Time factor
- Costs for sales and parking areas

### Internet providers

- Delivery on time is very difficult
- No frozen products in the sale

=> Clear advantages of this business model in comparison to the competitors

# 3. Market research



## Target groups

- Full-time employees
  - Order during lunch break and pick up after work
- Families with young children
  - Never again impatient children during shopping



# 3. Market research



## Results of the research

*These results are not representative, they should only illustrate how to proceed*

- Number of customers:
    - 1000 customers visit a small-mid size supermarket per day
    - 70% would require this service
    - 40% risk reduction
- ⇒ 420 customers per day

# 3. Market research



## Results of the research

- Cost calculation
  - The customers would expend additionally for the service 1,-€
  - The average expenditure per purchase per customer is 30,-€
  - For the financial analysis were calculated:
    - The distribution of the amount per purchase referring to the product categories (in %)
    - The average profit margin of each category (in %)

# 3. Market research



<b>Products</b>	<b>Amount per purchase (in %)</b>	<b>Average profit margin (in %)</b>
Food stuff	32	40
Vegetables/fruits	14	50
Sweets/snacks	5	60
Meat	15	40
Frozen food	6	50
Alcoholic drinks	8	30
Non-alcoholic drinks	7	40
Domestic stuff	5	80
Drugstore	8	40

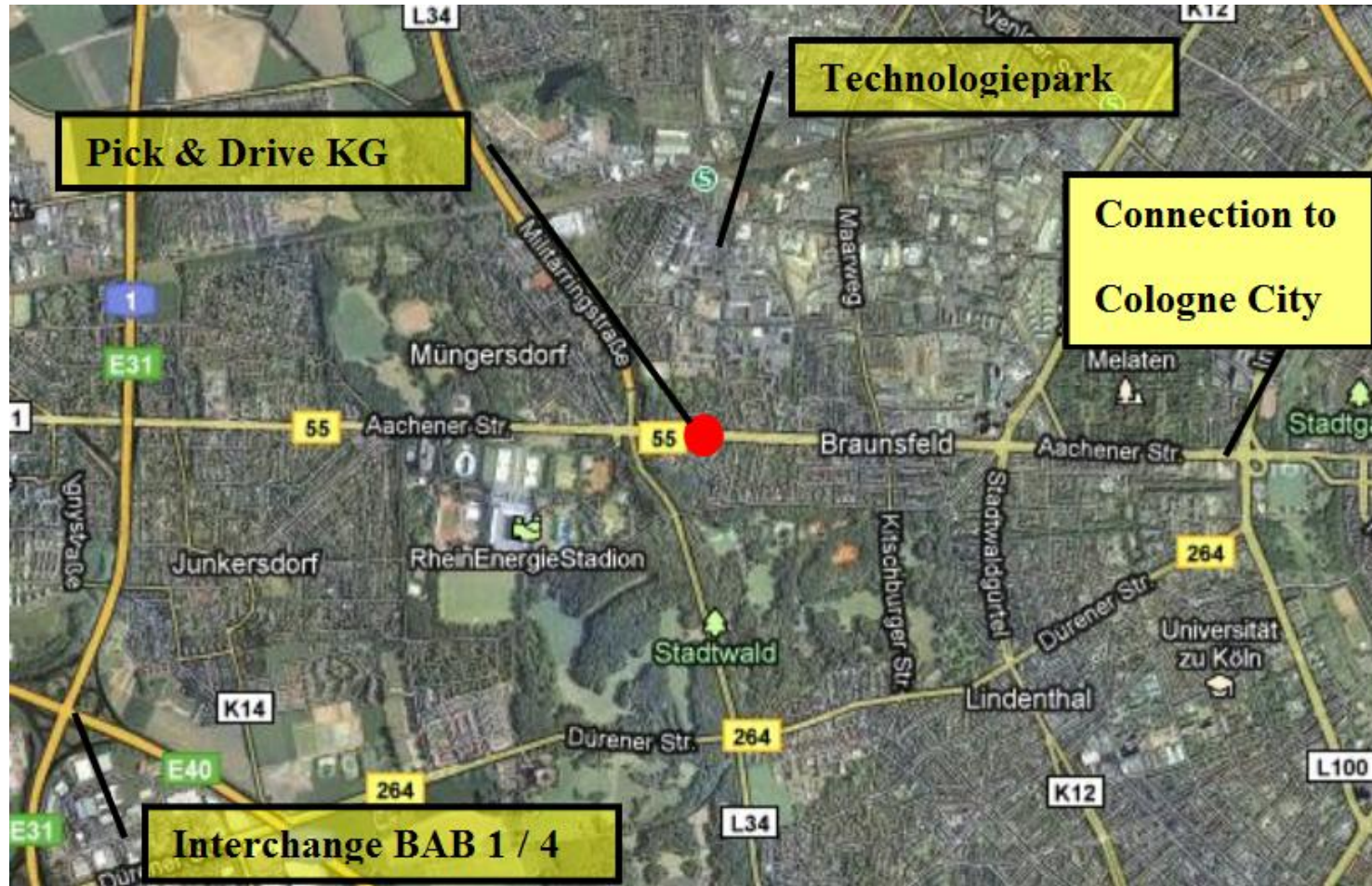
# 4. Location



## **Good location for a successful business**

- Cologne (Müngersdorf), Aachener st., near Militärring st. -
- Good connection for cars via the interchange A1/4 and the Aachener street
- In the surrounding area are staying big companies with many employees and customers
- Many people live in Müngersdorf and the bordering districts
- The city of cologne can be reached from there within 10 Minutes

# 4. Location



Source: maps.google.de, 2010

# 5. Financial analysis



## Calculation of total investment and depreciation costs

Investment goods	Amount	Investment expenditures	Depreciation rate in %	Depreciation
Property		1.000.000,00 €	0	0,00 €
in- / exterior renovation		250.000,00 €	5	12.500,00 €
equipment				0,00 €
<i>cash point system</i>	4	12.000,00 €	25	3.000,00 €
<i>scanner</i>	6	3.000,00 €	25	750,00 €
<i>printer</i>	2	200,00 €	25	50,00 €
<i>cooling chamber</i>	1	15.000,00 €	5	750,00 €
<i>storage system</i>		12.000,00 €	10	1.200,00 €
<i>transportation</i>				
<i>carriages</i>	2	8.000,00 €	10	800,00 €
<i>packaging</i>		3.000,00 €	10	300,00 €
office equipment				0,00 €
<i>furniture</i>		2.000,00 €	10	200,00 €
<i>informatics</i>	2	2.000,00 €	25	500,00 €
vehicles	1	20.000,00 €	20	4.000,00 €
market research		150.000,00 €	10	15.000,00 €
basic range of products		60.000,00 €	0	0,00 €
cash money		20.000,00 €	0	0,00 €
unexpected		100.000,00 €	0	0,00 €
<b>Total investment:</b>		<b>1.657.200,00 €</b>	<b>Total depreciation cost:</b>	<b>39.050,00 €</b>

# 5. Financial analysis



## Total investment and financing

<b>Total investment</b>	<b>1.657.200,00 €</b>
40% own capital funds	662.880,00 €
60% outside financing	994.320,00 €

7,00 % interest rate

10 years running time

# 5. Financial analysis



## Financing costs over 10 years

Year	Balance of debt	Interest rate in %	Interest costs paid p.a.	Repayment p.a.
1	994.320,00 €	7	69.602,40 €	99.432,00 €
2	894.888,00 €	7	62.642,16 €	99.432,00 €
3	795.456,00 €	7	55.681,92 €	99.432,00 €
4	696.024,00 €	7	48.721,68 €	99.432,00 €
5	596.592,00 €	7	41.761,44 €	99.432,00 €
6	497.160,00 €	7	34.801,20 €	99.432,00 €
7	397.728,00 €	7	27.840,96 €	99.432,00 €
8	298.296,00 €	7	20.880,72 €	99.432,00 €
9	198.864,00 €	7	13.920,48 €	99.432,00 €
10	99.432,00 €	7	6.960,24 €	99.432,00 €
<b>Total interest paid</b>			<b>382.813,20 €</b>	
<b>Total repayment</b>				<b>994.320,00 €</b>



# 5. Financial analysis



## Fixed costs

Description	Costs per month	Costs per year
Insurance	500,00 €	6.000,00 €
Electricity	2.000,00 €	24.000,00 €
Heating/Cooling	1.000,00 €	12.000,00 €
Waste	750,00 €	9.000,00 €
Telephone/ Internet	50,00 €	600,00 €
Vehicle	100,00 €	1.200,00 €
Labor	30.520,00 €	366.240,00 €
<b>Total</b>	<b>34.920,00 €</b>	<b>419.040,00 €</b>

# 5. Financial analysis



## Fixed costs - Labor

Personal in cost centre	Number	Type	Costs per month per employer	Total costs per month	Total costs per year
Order processing	3	Part-time	512,00 €	1.536,00 €	18.432,00 €
Storage	2	Full-time	2.200,00 €	4.400,00 €	52.800,00 €
Packaging	5	Part-time	512,00 €	2.560,00 €	30.720,00 €
IT	1	Full-time	3.000,00 €	3.000,00 €	36.000,00 €
Manager	3	Full-time	6.000,00 €	18.000,00 €	216.000,00 €
Cleaning	2	Part-time	512,00 €	1.024,00 €	12.288,00 €
			<b>12.736,00 €</b>	<b>30.520,00 €</b>	<b>366.240,00 €</b>

# 5. Financial analysis



## Material costs per customer

	Average profit margin in %	Deduction for risk (-10%)	Distribution of add. Service on categories in %	Total profit margin in %	Average demand per purchase in %	Average demand per purchaser	Material costs
<i>food stuff</i>	40	36	1,056	37,1	32	9,60 €	7,00€
<i>vegetables/fruits</i>	50	45	0,462	45,5	14	4,20 €	2,89€
<i>sweets/snacks</i>	60	54	0,165	54,2	5	1,50 €	0,97€
<i>meat</i>	40	27	0,495	36,5	15	4,50 €	3,30€
<i>frozen foods</i>	50	45	0,198	45,2	6	1,80 €	1,24€
<i>alcoholic drinks</i>	30	18	0,264	27,3	8	2,40 €	1,89€
<i>non-alc. drinks</i>	40	36	0,231	36,2	7	2,10 €	1,54€
<i>domestic stuffs</i>	80	72	0,165	72,2	5	1,50 €	0,87€
<i>drugstore</i>	40	36	0,264	36,3	8	2,40 €	1,76€
			<b>3,3</b>		<b>100</b>	<b>30,00 €</b>	<b>21,46€</b>



# 5. Financial analysis



## Total costs per year (euro)

	1	2	3	4	5	6	7	8	9	10
<b>Depreciation</b>	39.050,00	39.050,00	39.050,00	39.050,00	39.050,00	39.050,00	39.050,00	39.050,00	39.050,00	39.050,00
<b>Financing</b>	69.602,40	62.642,16	55.681,92	48.721,68	41.761,44	34.801,20	27.840,96	20.880,70	13.920,48	6.960,24
<b>Variable</b>	1.613.152,30	2.412.163,68	2.977.704,60	2.977.704,60	2.977.704,60	2.977.704,60	2.977.704,60	2.977.704,60	2.977.704,60	2.977.704,60
<b>Fixed</b>	419.040,00	419.040,00	419.040,00	419.040,00	419.040,00	419.040,00	419.040,00	419.040,00	419.040,00	419.040,00
<b>Total</b>	<b>2.141.544,70</b>	<b>2.932.895,84</b>	<b>3.491.476,52</b>	<b>3.484.516,28</b>	<b>3.477.566,04</b>	<b>3.470.595,80</b>	<b>3.463.635,56</b>	<b>3.456.675,32</b>	<b>3.449.715,08</b>	<b>3.442.754,84</b>

# 5. Financial analysis



## Cash-flow over 10 years (euro)

	1	2	3	4	5	6	7	8	9	10
<b>Turnover/ revenue</b>	1.971.900,00	3.155.040,00	3.943.800,00	3.943.800,00	3.943.800,00	3.943.800,00	3.943.800,00	3.943.800,00	3.943.800,00	3.943.800,00
<b>Costs</b>	2.141.544,70	2.932.895,84	3.491.476,52	3.484.516,28	3.477.566,04	3.470.595,80	3.463.635,56	3.456.675,32	3.449.715,08	3.442.754,84
<b>Loss carried forward</b>		-169,644,70	-	-	-	-	-	-	-	-
<b>Profit before Tax</b>	-169.644,70	52.499,46	452.323,48	459.283,72	466.243,96	473.204,20	480.164,44	487.124,68	494.084,92	501.045,16
<b>Profit after taxes</b>	-169.644,70	31.499,68	271.394,09	275.570,23	279.746,38	283.922,52	288.098,66	292.274,81	296.450,95	300.627,10
<b>Cash-flow</b>	-130.594,70	70.549,68	310.444,09	314.620,23	318.796,38	322.972,52	327.148,66	331.324,81	335.500,95	339.677,10
<b>Repayment credit</b>	99.432,00	99.432,00	99.432,00	99.432,00	99.432,00	99.432,00	99.432,00	99.432,00	99.432,00	99.432,00
<b>Dividend</b>	-230.026,70	-28.882,32	211.012,09	215.188,23	219,364,38	223.540,52	227.716,66	231.892,81	236.068,95	240.245,10

# 5. Financial analysis



**Total dividend cumulated over 10 years**

1.546.119,71€

# 6. Conclusion



## The road to success

- A new idea offers a new way of fast and easy shopping
- As shown, it has its advantages against the competitors
- The market research shows that there is a demand for it





Thank you  
for  
your attention

Your Pick & Drive–team: Mr. Schmitz, Mr. Fink, Mr. Schiek