



*Localized ingredients sandwich shop*

A sandwich shop with only Minnesota grown ingredients located in the University of Minnesota, St. Paul Student Center.

**Madison Warta**

## **II. Executive Summary**

### **Name of Product: The Minnesota Local Sam**

#### **Concept Description**

Students are in desperate need of a healthy, sustainable, and quick lunch while they are hustling between classes. The Minnesota Local Sam is a farm-to-hand sandwich shop located in the St. Paul Student Center at the University of Minnesota. The Local Sam partners with exclusively Minnesota-made bread, cheese, meat, and produce companies to create a unique, localized restaurant. All sandwich ingredients including the wheat in the bread to the greens on top are grown, harvested, and made right here in the Land of 10,000 Lakes. The menu is filled with Gopher-themed sandwiches as well as the option to customize and build your own. By allowing customization of sandwiches, students can get exactly what they are craving and needing at that moment.

#### **Opportunity**

Minnesota Local Sam addresses the utter lack of fresh, local ingredient food options on campus for students to enjoy. The students on the St. Paul campus make up a variety of Nutrition, Agriculture, and Animal Science majors who specifically value sustainable food options, which the Local Sam provides. The current size of the market is around 5,000 students who travel to St. Paul for classes daily. The Local Sam will also capture the 1,250 St. Paul faculty and staff members. It is estimated that 50% of the market size will switch to purchasing lunch at the Local Sam, and the remaining will continue to pack their lunches. However, after a small market survey was conducted, students were excited and willing to incorporate the Local Sam into their lunch routine given the option. The Local Sam has the potential to expand beyond just St. Paul with another restaurant to reach the 50,000 other East and West students!

#### **Innovative Solution**

The Local Sam partners with Backwards Bread Co., The Meate Shoppe, Revol Farms, University of Minnesota Meat and Dairy Salesroom, St. Paul Cheese Shop and Minnesota Arboretum to create sandwiches with ingredients all from Minnesota. There is future potential to harvest produce directly from a St. Paul Garden in the warmer months to create even fresher sandwiches. The Local Sam offers signature sandwiches like the “Gopher Gobbler” which is a classic turkey sandwich or the “Sandwich A Day Keeps the GPA Doctor Away” a spicy bacon delight that pairs perfectly with the Minnesota made Dutch Potato chips. Also, the “Ski-U-Mah” which is a pastrami sandwich and a protein-packed sandwich, “Keep Rowing the Boat.” With six different types of bread, five types of meat, four unique cheese options, many unique toppings and spreads, The Local Sam caters to students who are constantly on the go and need a healthy, sustainable, and affordable option to allow them to refuel and feel good about it.

The Local Sam will replace the current food option, Subway, and compete by adding a whole new category of health and sustainable conscious customers. The Subway in the student center is far from “eating fresh” or “\$5 footlongs” and instead provides mediocre ingredients at an expensive price. Ingredients from Subway travel from as far as 3,000 miles from Guatemala and Puerto Rico. The Local Sam is on trend with clean and sustainable labels while supporting Minnesota farmers and butchers but most importantly, providing a delicious meal for the students at the University of Minnesota.

## **Value Proposition**

The Local Sam is the only locally sourced restaurant on the University of Minnesota campus and has the potential to reach 50,000 students plus 4,000 faculty members. However, the targeted customers are health-focused, sustainable valued students who love to buy locally. The customers are likely to switch from their current behaviors to support Minnesotans while receiving a fresh, local, build-your-own sandwich at a fair price in return. All products sold are anywhere from \$8-12 depending on ingredients. Consumers are willing to pay the same, if not more than their current option of Subway when they know the ingredients are sustainable, fresh, and Gopher-enthused.

## **Competitive Advantage**

Students are not being accommodated with quick, healthy food options in the St. Paul Student Center currently. If students want a restaurant-chain, overpriced, undervalued sandwich, they will purchase from Subway. What students want is a new food experience that gets them excited while feeling good about where their valuable money is going towards. The Local Sam will simply replace the current Subway option and outperform by providing more value to the students. Although there are hundreds of sandwich shops located in Minnesota, there are few that commit to fully source locally and fresh. This means the menu items will be constantly rotating based on seasonality and availability of products, how exciting!

## **Entrepreneurial Team**

The Local Sam team is tight knit but powerful. It consists of a General Manager who works 40-hour weeks and oversees day-to-day tasks such as inventory and payroll. The store hours are 10 am to 7 pm and will be staffed with 2-3 student employees who will be in charge of preparing food, serving customers, operating the cash register, and closing duties. For the Local Sam to be successful, student employees must be organized and passionate about sustainably serving the community. Every employee of Local Sam will have a say in new ingredients and unique sandwiches so being able to think creatively is imperative. In the upcoming months, other roles that need to be filled are delivery/supply chain manager and a social media marketing associate to help promote The Local Sam.

## **Financial Highlights and MBV Outcomes**

The Local Sam is still in the early stages of development and more collaboration is needed to become financially successful. The Local Sam is aimed to be launched in the Fall of 2022 and the next steps are partnership agreements with the various suppliers, menu ideation and creation, as well as hiring employees and truck drivers. To keep The Local Sam sustainable, a \$50,000 investment is needed. This would cover our startup costs that include a POS system, refrigerators, sandwich conveyor oven and a deli station as well as up to three months of our monthly burn rate. It was calculated that The Local Sam will break even if 145 sandwiches are sold a day which is 16 sandwiches per hour. Since the restaurant is open during brunch, lunch, and dinner time, this goal seems achievable.

### III. Consumer Problem

#### **Minnesota Local Sam**

*Localized ingredients sandwich shop*

What did you pack for lunch today? Spice up your **sandwich** game with a **Minnesota Local Sam custom** sandwich tailored to your specific **nutritional** needs and wants. **With 20+ sandwich ingredients** and toppings all farmed and sourced right here in **Minnesota**, now you can feel good about where your meal comes from!

The Minnesota Local Sam is located at the St. Paul Student Center where you can grab a sandwich to take on the go or enjoy it in the freshly renovated center. Minnesota Local Sam **partnered** with various **meat** shops, **vegetables** farmers and **bread** connoisseurs to make sure students from all over can have access to fresh produce that makes a hearty, healthy meal. Choose from 6 types of bread, 5 types of meat, 4 different cheeses, a variety of vegetables and in-house made **spreads** to create your own unique sandwich. Make a different sandwich every day and ensure you never get sick of the same old lunches.

Say good-bye to the outdated, over-**price** and underrated Subway and hello to **Minnesota Local Sam**. Head to the **St. Paul Student Center** today and taste it for yourself!

Sandwich prices range from \$8-12

The Minnesota Local Sam addresses student's inability to find healthy, sustainable lunch options on the University of Minnesota-St. Paul Campus. Currently, students are bringing old leftovers, miscellaneous low-nutrient snack items or purchasing food from the St. Paul Student Center Subway. However, the chain restaurant, Subway provides the very basic premise of a sandwich. It merely just puts food in students belly and it does not cater to what UMN-St. Paul students need or want.

The Minnesota Local Sam addresses the fact that students are willing to pay for a higher quality meal that also offers them an experience. The Local Sam allows students to customize and build their own unique sandwiches with differentiating ingredients such as herby ranch, microgreens, and cheddar garlic sourdough. Since Subway is a chain restaurant, it can only provide the basic sandwich toppings such as lettuce, tomatoes, and mayonnaise. 61% of consumers say the ability to customize their order unique to them is important when choosing where to purchase food from.

The consumer and customer of The Minnesota Local is a variety of people. Since the St. Paul Campus is home to a range of different students, the types of sandwiches reflect that. There are meat and protein heavy sandwiches as well as the option to make a vegan, veggie sandwich. Some breads are thick and doughy, and others are whole-grain and hearty. The options at The Local Sam are endless and a customer can't go wrong.

## **Lead Persona of Target Customer: Nora the Nutrition Student**

### **Personas: Nutrition Student**

Lifestyle: Nora is a busy college student (17-25 years old) who loves to be outside, workout, hike, meal prep, go to farmers market every Saturday and most importantly loves to support local businesses. She loves going thrift shopping and finding antiques that are special to her.

Personal Background: Nora moved to Minnesota from California and is very independent. When she's not at the St. Paul Campus studying environmental science and nutrition she volunteers/works for community gardens in the summers.

Personal Pain Points: Nora values variety in her meals (sometimes gets sick of her meal prep ideas), loves to splurge on something she can add personal touch to, spends her breaks in St. Paul Student Center

What are her current behaviors: Always packs a lunch because there is no other healthy option that supports her values of fresh and sustainable ingredients. Loves when she can customize things at restaurants (she's that girl that substitutes everything to get it exactly how she wants.)

Nora is the nutrition, sustainable guru and goes out of her way to buy local. She loves knowing where her food is grown and comes from and would easily switch from packing her own lunch to purchasing a fresh, local, build-your-own sandwich.

## **IV. Product Problem**

The Minnesota Local Sam enables students to support local Minnesota farmers while consuming a delicious, healthy sandwich in return. All students will now have an option to customize their own sandwich from a unique list of Minnesota grown ingredients. Currently, many students bring their own leftovers or snacks for lunch but often feel unsatisfied. The remaining students purchase from the only other current option, Subway. Although Subway provides a meal and “does the job” the location is seen as over-priced, low-quality and time consuming. If students had the opportunity to spend the same amount as a Subway sandwich but instead create a unique sandwich from Minnesota grown ingredients, they would jump at the chance. The Minnesota Local incorporates unique menu items that are currently trending such as spicy dill pickles, vegan mayonnaise, and sourdough breads.

Currently, The Local Sam is in the concept stage but quickly moving towards prototype and commercialization stages. Initial conversations with suppliers such as Backwards Bread Co have been made and showed promising efforts for a future partnership. A mock-menu has been created to outline the unique ingredients the Local Sam will have for students to customize their own sandwich. Additionally, the pre-set Gopher themed sandwiches are all unique in their own ways. Each pre-set sandwich will also allow for one substitution whether that’s the type of cheese, add an additional vegetable or swap a spread, students are in charge!

The ingredient options at The Local Sam are listed below:

<b>Backwards Bread Co.</b>	Parmesan Pepper Buns Multi-Grain Slice Bread Baguette Whole Wheat Sourdough Cheddar Garlic Sourdough Marble Rye
<b>The Meate Shoppe</b>	Deli Roasted Turkey House Smoked Bacon Hand Cut Pastrami Chicken Breast Ham
<b>UMN Dairy Sales Room</b>	Cheddar Cheese Hot Pepper Colby Tomato Basil Feta Swiss
<b>Revol Farms and Minnesota Arboretum Garden</b>	Lettuce Microgreens Radish Arugula Shredded Carrot Spicy Dill Pickles Tomatoes
<b>St. Paul Cheese Shoppe</b>	Tomato Chutney

	Vegan Mayonnaise Hummus Herby Ranch Pepper Onion Relish
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**The Minnesota Local Menu:**



**G O P H E R   S A N D W I C H E S**

**G O P H E R   G O B B L E R   10**

Your choice of bread, sliced turkey, cheddar, tomato chutney, lettuce, spicy dill pickles.

**S.A.D.K.D.A (sandwich a day keeps the GPA doctor away) 11**

Your choice of bread, house smoked bacon, ham, hot pepper colby, microgreens, herby ranch

**KEEP ROWING THE BOAT 12**

Your choice of bread, deli roasted turkey, house smoked bacon, honey ham, swiss, lettuce, tomato, vegan mayonaise

**S K I - U - M A H   10**

Your choice of bread, hand-cut pastrami, hot pepper colby, radish, lettuce, pepper onion relish

**BAG O' CHIPS** :Regular, BBQ, Salt & Vinegar

\*one substitution per sandwich allowed\*  
 \*toasted or untoasted\*

**b u i l d   y o u r   o w n**

**START HERE:**

**1. BREAD (choose one) :** PARMESAN PEPPER BUN, MULTI-GRAIN SLICE, BAGUETTE, WHOLE WHEAT ORGANIC SOURDOUGH, CHEEDAR GARLIC ORGANIC SOURDOUGH, MARBLE RYE

**2. MEATS (choose one):** DELI ROASTED TURKEY, HOUSE SMOKED BACON, HAND-CUT PASTRAMI, CHICKEN BREAST, HONEY HAM

**3. CHEESES (choose one):** CHEDDAR, HOT PEPPER COLBY, TOMATO BASIL FETA, SWISS

**4. TOPPINGS (choose two):** LETTUCE, MICROGREENS, RADISH, ARUGULA, SPICY DILL PICKLES, TOMATOES

**5. SPREADS (choose one) :** TOMATO CHUTNEY, VEGAN MAYONAISE, HUMMUS, HERBY RANCH, PEPPER ONION RELISH

\*sandwich starts at \$8,  
 each additional topping \$0.50\*



**Mock Sandwiches:**



**Features and Benefits:**

<b>Features</b>	<b>Benefits</b>
Bread	Holds sandwich together and makes sure nothing falls out
Meat	Allows for protein and keeping you full for longer
Cheese	Adds a flavor element to sandwich, more protein
Veggie Toppings	Variety allows for multiple combinations. Add a crisp element to sandwich
Spreads	Each spread will make the sandwich “pop” differently
Toasted	Toasted creates a warm, melty sandwich
Untoasted	Deli-style cold sandwich
Gopher Restaurant	Students feel pride when purchasing from The Minnesota Local
Minnesota Grown ingredients	Help support local farmers
Healthy/nutritional sandwich options	Students will feel fueled and energized
Affordable Price	Students are able to use Flexdine or personal money to purchase product.

## **V. Market Problem**

The current market of farm to fork (hand in this scenario) is a strategy aiming to make the food system environmentally friendly and fair. It aims to redesign the food system which accounts for 1/3 of the global greenhouse gas emissions. Farm to fork initiatives will help create a positive environmental impact, help climate change adapt, reverse the loss of biodiversity, and help food security. Farmers markets have quadrupled in the last 20 years and restaurant menus are trending towards more fresh, local, and organic options. Chefs are focusing on simple, healthy, and sustainably grown seasonal foods. Consumers are also demanding transparency; they want the details on the menu ingredients and where they are coming from.

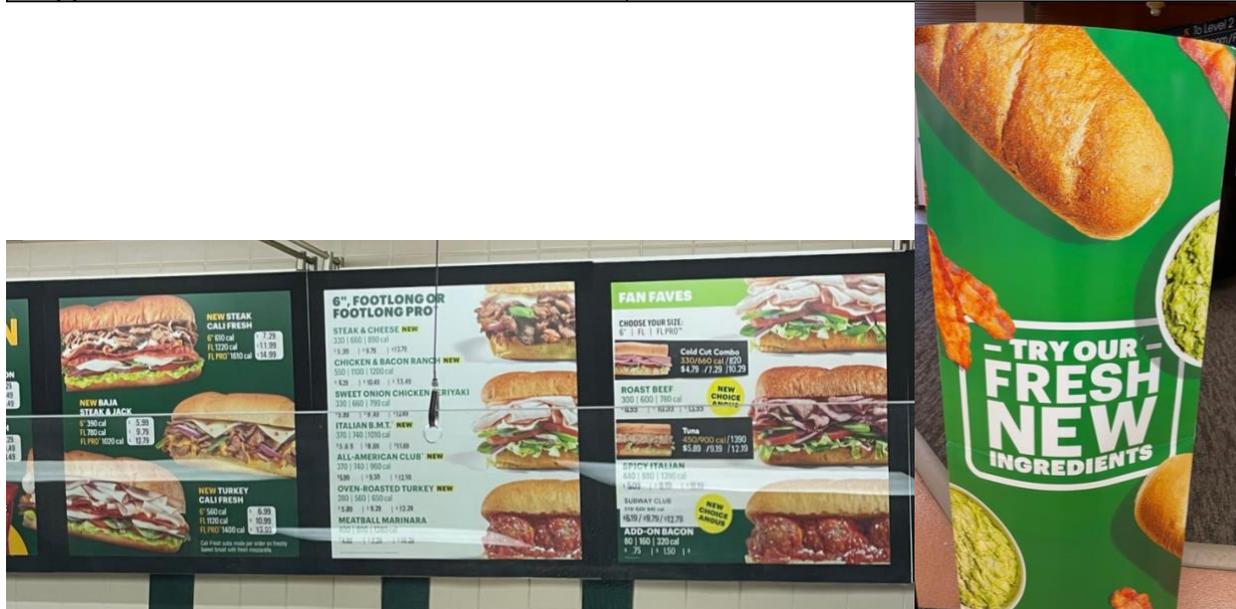
Although there are many farm-to-table restaurants here in Minneapolis such as Birchwood Café and Brasa there is a gap in the fast-casual space. Students are not in need of a sit-down, rustic restaurant where they can have lunch. They need a fast, healthy option that they can eat on the go if necessary. There is currently no farm to table fast casual restaurants that supply all their ingredients from Minnesota. Most farm-to-table restaurants have to out-source a variety of these products since their meals are more complex than just sandwich. That is the main reason why The Minnesota Local farm-to-hand business will be successful because the ingredients demanded are much simpler than a full-service restaurant.

The University of Minnesota is home to 50,000 students and 4,000 faculty members. Since The Local Sam will be located on the St. Paul campus, its target market is the 5,000 students and 1,200 staff that travel to campus daily. When visiting the St. Paul Student Center, there is roughly 50-100 students sitting and eating their lunches. The line from Subway is always 5-10 people long and the average wait time is anywhere from 5-15 minutes to receive your sandwich. This proves there is a substantial market of students that are in the St. Paul center and will be exposed to the Minnesota Local as well as students whose behavior is purchasing lunch.

If every student and faculty member had a \$12 transaction at The Minnesota Local Sam daily, the total market opportunity would be \$74,400 per day. However, since that is an unrealistic goal, capturing 50% of the St. Paul student market is the target. This would mean everyday 3,100 students and faculty members would have a \$12 transaction during business hours. The biggest efforts needed is to incentivize students to try the Minnesota Local and incorporate a sandwich in their weekly lunches, whether that's daily, weekly, or monthly.

<b>Benefit: The Minnesota Local Sam</b>	<b>Benefit: Subway</b>
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Unique Sandwich ingredients such as: herby ranch, hot pepper Colby cheese, parmesan pepper bun	Basic Sandwich Ingredients: American Cheese, Turkey Club *See Subway menu below*
Fresh, Local ingredients ONLY from Minnesota	Ingredients from thousands of miles/all over world/not fresh *See reference below*
Price vs. Satisfaction Fair price, high satisfaction	Offer same priced sandwiches with little to no variety or unique ingredients, low satisfaction
Seasonal ingredients, changing menu	Same ingredients all year round
Gopher Pride Food Themes	No gopher pride
Support student work	No student workers



## VI. Business Model Problem

The main targeted customer for The Minnesota Local Sam is students that go to University of Minnesota and specifically travel to the St. Paul campus. Although all students can purchase a meal from The Local Sam using their flexdine or personal money, St. Paul students are the focus. St. Paul students are a special breed that have unique needs and wants. Many students are studying nutrition, agriculture, natural sciences and alike. This means they have a special thought process when buying food. These students are more curious about what food they consume, where it is from and how it impacts others. The Minnesota Local Sam is exciting and different for the core customer.

St. Paul students are currently purchasing their only other lunch option, Subway. Although Subway and The Local Sam have very similar fundamental products, The Local Sam competes strongly. The Local Sam provides elevated sandwiches with ingredients students will be excited about. Customers will switch from buying Subway because it's the only option to The Minnesota Local because they *want* to. Students will also be excited to know that their input on menu items will be greatly valued and they could even have a sandwich named after them.

After research, it is predicted that on average Subway's generate \$417,000 in sales annually. It is predicted that The Local Sam will capture the current Subway consumers since it is along the same product lines. However, it is also predicted that the Local Sam will also capture students who are curious to try the unique sandwiches as well as those who value supporting local ingredients. This means within roughly two years; if The Local Sam is competitive with Subway they can reach the \$1,000,000 goal.

The product strategy The Local Sam offers are four "pre-set" sandwiches as well as 26 ingredients for customers to create something of their own. More specifically, there are five different types of bread, five types of meat, four different cheeses, six vegetable toppings and five spreads. It is important to note that the vegetables will change throughout the seasons based on our supplier's availability to provide the freshest ingredients to our customers. For example, in the summer there may be ten different vegetable options including greens, peppers, and beets but in the winter, it may be more limited to greens, tomatoes and pickled items. Although the menu is on the smaller side, rotating ingredients will create excitement and gets customers to come back to try something new. In the future, a goal of The Local Sam is to plant a garden on the St. Paul campus and utilize the produce on their menus, making it as local as it can get.

<b>Price</b>	
Average Price Per Sandwich	\$ 12.00
Direct Sandwich Costs	\$ 8.00
Gross Profit	\$ 4.00
<b>Monthly Costs</b>	
Employee Wages	\$ 8,100.00
Utensils and Packaging	\$ 1,000.00
<b>One Time Costs</b>	
Conventional Oven	\$ 2,000.00
Marketing Campaign	\$ 500.00
Monthly Burn Rate	\$ 11,600.00
Breakeven (sandwiches/month)	2900
Sandwiches per day	145
Sandwiches per month	2,900.00
Sandwich per year	37,845.00
1 million breakeven (sandwiches)	83,333.33

#### Ingredient Breakdown:

Ingredient	Specifics	Direct Cost	Total Sandwich Direct Cost
Bread	Parmesan Pepper Buns Multi-Grain Slice Bread Baguette Whole Wheat Sourdough Cheddar Garlic Sourdough Marble Rye	\$0.20-\$0.70 a slice	\$1.00
Deli Meat	Deli Roasted Turkey, House Smoked Bacon, Hand Cut Pastrami, Chicken Breast, Ham	\$0.40 an oz	\$1.40
Cheese	Cheddar Cheese Hot Pepper Colby Tomato Basil Feta Swiss	\$0.35 an oz	\$0.70
Vegetables	Lettuce, Microgreens, Radish, Arugula, Shredded Carrot, Spicy Dill Pickles, Tomatoes, Pickled Onions	\$0.20-\$1	\$1.00
Spreads	Tomato Chutney, Vegan Mayonnaise, Hummus,	\$0.20-0.50	\$0.50

	Herby Ranch, Pepper Onion Relish		
Chips	Dutch Crunch Kettle Chips: Barbeque, Salt & Vinegar, Regular	\$0.40 per bag	\$0.40
		<b>Low End Sandwich Cost</b>	\$4
		<b>High End Sandwich Cost</b>	\$9

It is assumed on average a transaction at The Local Sam will be \$12. This could be a combination of a sandwich and chip combo, pre-set sandwich, or a build your own. After calculating estimates for each ingredient that makes up a sandwich, it is estimated on the low end (simple sandwiches) it costs \$4 and the high (customized) end costs \$9. This means each sandwich created will have a different cost and gross profit depending on the ingredients used. It is predicted that students will build their own sandwich combinations because it is the most customizable and affordable option. To breakeven, The Local Sam must sell 145 sandwiches a day which translate 16 sandwiches per hour.

The employees that are hired at The Local Sam will be students and their pay will be a competitive \$15 an hour. There will be a minimum of two employees and a maximum of four employees working a time depending on the level of traffic. Employment salaries are one of the largest costs for The Local Sam and make up for \$8,100 every month. However, the business could not run without the hardworking students. It is predicted that the University of Minnesota provides the essential business materials such as the rent for the space, deli-making station and tables and chairs. The one-time costs The Local Sam will purchase are a \$2,000 conventional toaster oven and a marketing campaign to promote the restaurant. Monthly costs will consist of salaries, utensils, and sandwich packaging products.

**The Overt Benefit:** The overt benefit the Minnesota Local Sam provides is a sandwich made with local Minnesota ingredients.

**The Reason to Believe:** The reason to believe is the partnerships with Minnesota companies and farmers. The partnerships are: The Meat and Dairy Salesroom UMN, Backwards Bread Co., The Meate Shoppe, Revol Greens, St. Paul Cheese Shop Spreads.

**Dramatic Difference:** The dramatic difference is the ability to purchase a sandwich that is affordable, made quickly and sourced from Minnesota. The consumers no longer have to purchase from Subway, which is seen as over-priced, slow, and not locally sourced.

**Adoption Hurdles:** Consumers normally bring their own lunch from home or purchase from Subway. There are no local-ingredient sandwich shops on campus that can compete with The Minnesota Local.

**Social Sufficiency:** Consumers will be able to purchase a sandwich in the student center or order ahead for pick up. Consumers will also get free samples and coupons in the first two weeks of it opening.

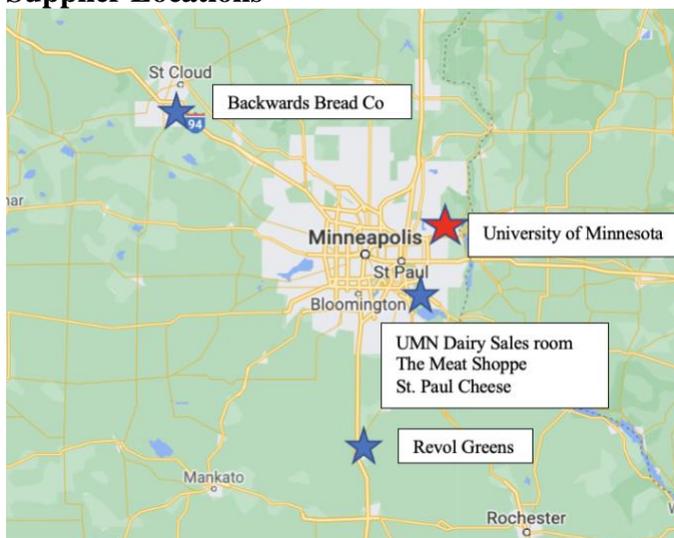
## VII. Operations/Commercialization Problem

Moving from the concept stage where The Local Sam current resides into the marketplace will take time, effort, and money. It will take at least 6 months to finalize partnerships and contracts with the suppliers: Backwards Bread, The Meat Shoppe, UMN Dairy Sales Room, Revol Farms, Minnesota Arboretum and the St, Paul Cheese Shoppe. Within these contracts must contain the specific products, prices, quantities, and delivery information. A critical framework that needs to be solved is the delivering of the ingredients to St. Paul and how much this will cost. For The Local Sam to grow, we must create relationships with the suppliers and have their full support. Once the various suppliers are on board, a projected opening date can be made, and the hiring process can begin. The next steps are to start creating the sandwiches with the ingredients and update the menu if needed. This can be done by Madison, the product developer, and her team of students. It is important that the students feel a part of the business as they are direct marketers/influencers of the brand. The various created sandwiches can be tested by other students and faculty to gain market feedback and adapt if necessary.

### Product Hypothesis

PRODUCT	Critical Hypothesis	Issues, Criteria, & Results
1	The students at UMN St. Paul want a quick, healthy, and simple meal.	Is this the type of food students want?
2	Sandwiches that are customizable are important to students	Would only having set sandwich types be easier on us and students?
3	Turkey, Chicken, Pastrami and Bacon are the most liked meats	Is salami, roast beef, peperoni important meats too?
4	All sandwiches can be made vegan/vegetarian	Should we have a set vegan sandwich
5	The sandwich will be \$8-12 in price	Is this too expensive for students?

### Supplier Locations



## **VIII. The Resource Problem**

### **People:**

Since The Local Sam will need a lot of hard work to accomplish the business, it is suggested that additional product developers/chefs and supply chain staff are hired. Hiring a chef or baker who can test products for the best flavor will benefit The Local Sam greatly. Also, having an employee be solely in charge of the delivering, ordering and relationships with suppliers is vital. The logistics of purchasing and obtaining the needed ingredients remains the biggest question unsolved currently.

Since The Local Sam is for the students of UMN, it is important that students have a say. So, depending on the student workers availability, it would be highly useful to incorporate their ideas and make them feel valued on the team. The students would be in charge of the marketing and campaigning until a full-time marketing/promotion role is filled. The student workers would help spread the word about the Local Sam via. Instagram, Facebook, UMN emails and Tok-tok.

### **Pricing:**

Although the pricing of sandwiches (\$8-12) is comparable to competitors such as Subway, the actual prices of the ingredients are still somewhat ambiguous. More communication is needed with the various suppliers to ensure the ingredients are not too expensive and cause The Local Sam to be unprofitable. Although there has been a verbal communication with Backwards Bread Co. about a wholesale reduced cost of their bread, more information is needed from the other supplies. It is known that buying locally is sometimes more expensive than wholesalers.

Secondly, more information is needed from the University dining services to ensure students would have the option to use their dining gopher money to purchase meals from The Local Sam. This would greatly incentivize students to not only buy lunch from The Local Sam when on campus but also travel to St. Paul just to get this as their preferred meal.

### **Risks:**

One of the biggest risks with the Local Sam is will it outperform and satisfy students more than the current option, Subway. Since Subway and The Local Sam are quite similar in products, the business must differentiate themselves and create more value to the students. Another unanswered question is The University of Minnesota willing to terminate their relationship with Subway to put The Local Sam in their location. If this is not permeable, The Local Sam must find a different location on or off the campus.

### **Financial Needs:**

An initial \$50,000 start-up is needed to complete the employment hiring process, purchase the equipment (POS system, deli-station, toaster, sandwich supplies), initiate relationships with suppliers.

<b>Resource</b>	<b>Cost</b>	<b>Goals</b>
Employment (2-3 people working at \$15 hour)	\$15,000	These students would take on as many hours as their schedule allows for. Before The Local Sam opens to the public, they would help the marketing, influencing and product testing of sandwiches.
Restaurant Supplies	\$10,000-\$20,000	POS system, deli-station, refrigerator, conveyor toaster oven, sandwich supplies
Building Relationship with Suppliers/purchasing ingredients	\$5,000	This would allow us to test sandwiches and finalize menu.

**Other questions that are unanswered:**

1. Would a Door Dash/UberEATS contract be important for students so they can order ahead and pick up their food? Would the 20% commission rates be too high for The Local Sam to pay.
2. Would students want more options than just sandwiches- soups, salads, pasta salads/sides?
3. How big would the restaurant be- how much inventory can it hold?
4. How much would suppliers charge for their products?
5. Will delivering of ingredients be extremely costly (was not factored into price/budget)?

## **XI. Recommendations**

This project is a GO! The first step that needs to be started is creating relationships and contracts with the suppliers. The restaurant will not function if it does not have Minnesota grown and made ingredients. From extensive market research the suppliers have been named, Backwards Bread, The Meate Shoppe, UMN Dairy Sales Room, Revol Farms, Minnesota Arboretum and the St, Paul Cheese Shoppe. However, if a different Minnesota supplier is found that is more beneficial to The Local Sam, it should be targeted instead. Once all suppliers are on board and there is a clear ingredient contract list, the next steps can be taken. Transforming the student Center Subway into The Local Sam will be a large task but will all employee hands on deck will be successful. The restaurant theme is undecided but would be along the lines of this mockup:



More hands-on deck are needed to help grow the business including a product developer/chef, supplier chain manager and 2-3 student employees. The next steps are sandwich testing to be completed. The main group that needs to try and give feedback on the sandwiches are the students on the St. Paul campus. This is because they are the target market, and their feedback is essential for business success. Those students and the student employees will also help campaign The Minnesota Local through word of mouth promoting and through Instagram. The Minnesota Local will also be featured in UMN student wide emails with coupons to incentivize students to come try it out. The goal is for the Minnesota Local to be up and running by fall semester 2022. Get hungry!

## **XI. Concept Portfolio**

### **Additional Personas:**

#### **Customer 2: Sam the St. Paul Ag Student**

Personas: Agricultural Economics Student

Lifestyle: Busy college study (17-25 years old), in a business frat, enjoys hanging out with his brothers who secretly look up to him/influence them, commutes back and forth from East Bank to St. Paul campus. Rarely cooks.

Personal Background: Goes home monthly to help on the farm, Seed Sales intern in the summer

Personal Pain Points: Does not plan in advance to pack his lunch, needs something fast and easy but in general values farmers hard work and wants to support that with his dollar.

What are his current behaviors: Skips lunch if he doesn't have time, grabs a Subway from St. Paul student center but always regrets it (overpriced, slow, mediocre sandwich)

Overall, Sam is the guy people look to when making decisions. He values farmers hard work and goes out of his way to support them. Sam would be an excellent first customer because he either skips lunch or results to buying Subway because it's convenient.

#### **Customer 3: Andy Animal Science Professor**

Personas: Lives near St. Paul campus so he walks to work every day, regardless of the temperature.

Lifestyle: Professor of Animal Science courses. Grew up on a farm and lives and breathes agriculture.

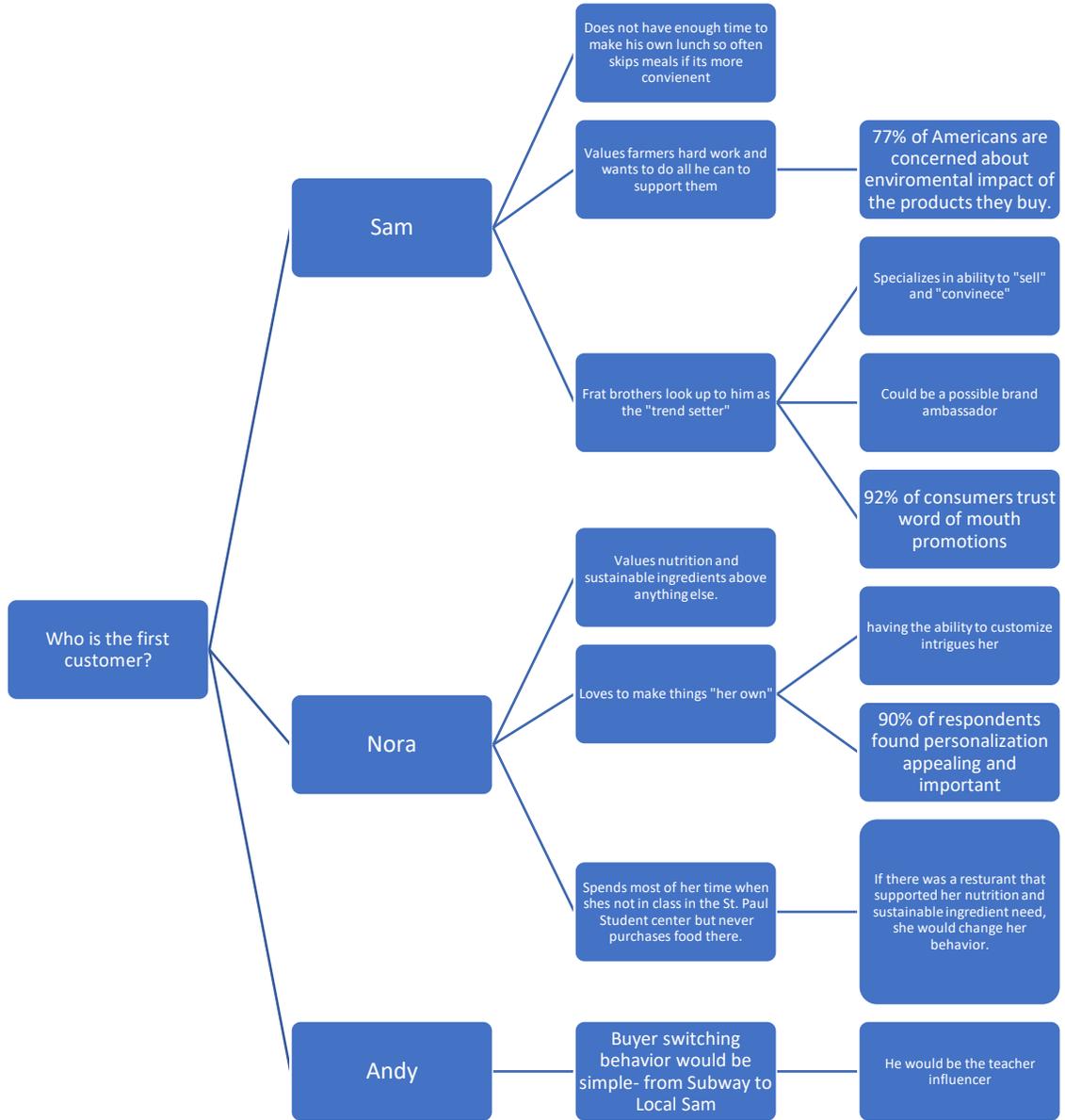
Personal Background: Has a family of 5, constantly on the go, usually brings leftovers or purchases subway for lunch.

Career Background: St. Paul UMN student, grad student and now Professor.

Personal Pain Points/Current behavior: After making every child a lunch for school he rarely has enough time to make one for himself. He usually gets a pre-made meal or Subway in the student center but believes strongly the center needs a renovation.

Andy would love a sandwich shop where he could help support local farmers AND not have to plan to pack a lunch! He would be the guy who would rave to all his professor friends and get them to try it as well.

# Decision Tree: Consumer Behavior



## Additional Financial Spreadsheets:

<b>IN SANDWICH TERMS</b>			
	Total Direct Costs	If I Charge this	Gross Profit
low (simple sandwich)	\$ 5.00	\$ 9.00	\$ 4.00
high (more in depth sandwich)	\$ 8.00	\$ 12.00	\$ 4.00
<b>Total Fixed Costs</b>			
Employee pay per day (\$15/ hour / 3 employees open for 9 hours)	\$ 405.00	\$ 8,100.00	<--- per month
Marketing campaigns (instagram ads, promotions)	\$ 500.00		
Eating utensils and packaging	\$ 1,000.00		
Resturant Materials	supplied by UMN		
Rent	supplied by UMN		
Sandwich Convention Oven	2,000		
monthly burn rate	\$ 11,600.00		
breakeven at	2900	<b>145 sandwiches sold per day</b> <b>16.11111111 sandwiches per hour</b>	

<b>IN MONETARY TERMS</b>			
	Total Direct Costs (sandwich, chips..)	Total Average Purchase	Gross Profit
Average purchase	\$ 8.00	\$ 12.00	\$ 4.00
<b>Total Fixed Costs</b>			
Employee pay per day (\$15/ hour / 3 employees open for 9 hours)	\$ 405.00	\$ 8,100.00	<--- per month
Marketing campaigns (instagram ads, promotions)	\$ 500.00		
Eating utensils and packaging	\$ 1,000.00		
Resturant Materials	supplied by UMN		
Rent	supplied by UMN		
Sandwich Convention Oven	2,000		
monthly burn rate	\$ 11,600.00		
breakeven at	2900	<b>145 68 purchases of ~\$14</b> <b>16.11111111 7.6 transactions an hour</b>	

	<b>Sandwiches</b>	<b>Purchases</b>
Year	37845	37845
Month	2900	2900
Week	725	725
Day	145	145
1 million revenue	83,333.33	<--- transactions of \$12

**Marketing Campaign Sample Instagram post:**



**Instagram Post for Sandwich testing:**



**Voice of Customer Questions:**

- Would you say you value supporting local farmers?
- What types of food do you eat for lunch?
- How much time do you spend making/preparing your lunch?
- Do you typically buy or make your lunch?
- What did you pack for lunch today?
- On average how often do you visit sandwich shops?
- What factors are important to you when deciding where to buy lunch from?
- What local ingredients do you buy each season?
- When did you buy local grown ingredients?
- Do you value the option to create something on your own?

**XI. Presentation Slides**

MADISON WARTA  
APEC 3551



LOCALIZED INGREDIENT SANDWICH SHOP

## Lack of Healthy, Sustainable options



### ST. PAUL STUDENT CENTER

- Subway Sandwich
- Leftovers from home
- Minneapolis campus various food options



# The Minnesota Local Sam Takeover



## FEATURES & BENEFITS

- Unique, differentiating ingredients all from Minnesota
- Gopher themed sandwiches
- Build-your own customizable

Menu filled with unique ingredients all from Minnesota



**GOPHER SANDWICHES**

**GOPHER GOBBLER 10**  
Your choice of bread, sliced turkey, cheddar, tomato chutney, lettuce, spicy dill pickles.

**S.A.D.K.D.A (sandwich a day keeps the GPA doctor away) 11**  
Your choice of bread, house smoked bacon, ham, hot pepper colby, microgreens, herby ranch

**KEEP ROWING THE BOAT 12**  
Your choice of bread, deli roasted turkey, house smoked bacon, honey ham, swiss, lettuce, tomato, vegan mayonaise

**SKI-U-MAH 10**  
Your choice of bread, hand-cut pastrami, hot pepper colby, radish, lettuce, pepper onion relish

**BAG O' CHIPS** -Regular, BBQ, Salt & Vinegar

\*one substitution per sandwich allowed\*  
\*\*toasted or untoasted\*\*

**build your own**

**START HERE:**

**1. BREAD (choose one):** PARMESAN PEPPER BUN, MULTI-GRAIN SLICE, BAGUETTE, WHOLE WHEAT ORGANIC SOURDOUGH, CHEEDAR GARLIC ORGANIC SOURDOUGH, MARBLE EYE

**2. MEATS (choose one):** DELI ROASTED TURKEY, HOUSE SMOKED BACON, HAND-CUT PASTRAMI, CHICKEN BREAST, HONEY HAM

**3. CHEESES (choose one):** CHEDDAR, HOT PEPPER COLBY, TOMATO BASIL FETA, SWISS

**4. TOPPINGS (choose two):** LETTUCE, MICROGREENS, RADISH, ARUGULA, SPICY DILL PICKLES, TOMATOES

**5. SPREADS (choose one):** TOMATO CHUTNEY, VEGAN MAYONNAISE, HUMMUS, HERBY RANCH, PEPPER ONION RELISH

\*sandwich starts at \$8,  
each additional topping \$0.50\*



## MENU FUNCTIONALITY

- six types of bread
- five types of meat
- four types of cheese
- eleven toppings and spreads

## INGREDIENT PARTNERSHIPS

- Backwards Bread Co.
- UMN Dairy Sales Room
- The Meat Shoppe
- St. Paul Cheese
- Revol Farms



## PARTNERSHIPS

ALL INGREDIENTS  
SOURCED FROM  
MINNESOTA HARVESTERS,  
FARMERS, COMPANIES

## STUDENT EMPLOYEES

2-3 WORKERS DURING  
OPEN BUSINESS HOURS  
11AM-7PM

## NEXT STEPS NEEDED:



### PARTNERSHIPS

Relationships with the various suppliers is needed in order to finalize contracts and create a business partnership.



### HIRING ADDITIONAL HELP

Onboarding 2-3 student employees, product developer and supply chain manager.



### SANDWICH TESTING

Once ingredients are set, testing the menu items with students/faculty and product development.



## Questions & Answers



1. Are all of your sandwiches cold?
2. Will you have sides on your menu?
3. Can you source your bread as minnesota made? who are your bakery choices? Can you offer pitas and wraps?

Thank you!

