



**EATS 2 SEATS**



# Mary Laci Motley

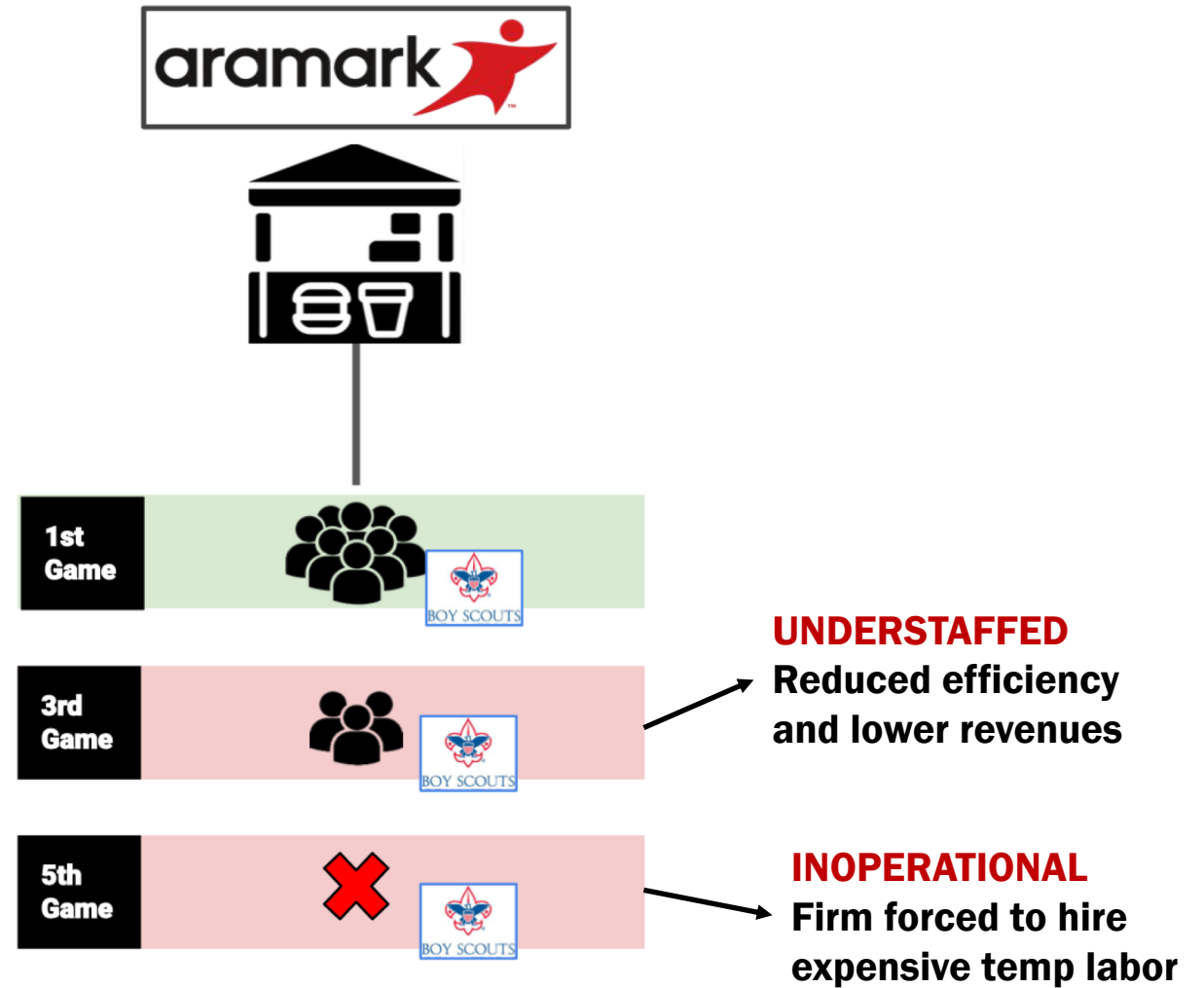
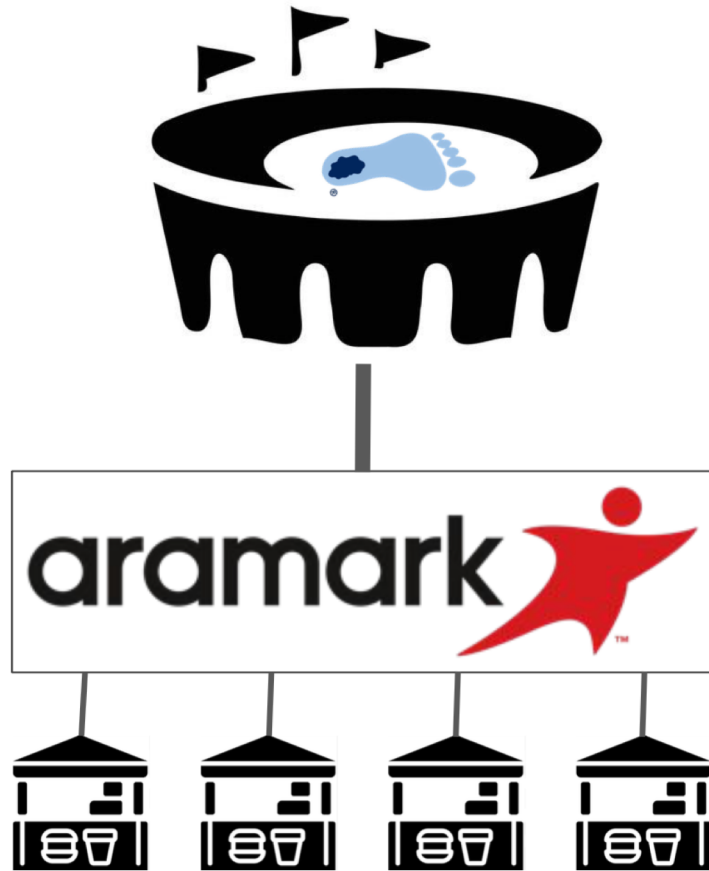
[lacimot@gmail.com](mailto:lacimot@gmail.com)

828-713-9920

# What is EATS2SEATS?

# What is EATS2SEATS?

Industry Problem



**THOUSANDS OF DOLLARS ARE LOST EVERY GAME**

**EATS2SEATS**

# What is EATS2SEATS?

What we do



E2S Stands lift revenues about **12%**  
(\$35,000 increase per game)

**SPECIALIZED STAFFING**  
Sources several groups per stand

**FULLY STAFFED**  
Increased efficiency and higher revenues per stand

**HIRING MANAGERS**  
Protects inventory and makes work experience easy for volunteers



# What is EATS2SEATS?

## Target Groups



Lack of Opportunities

Too small to enter contract



Risky/Costly Fundraisers

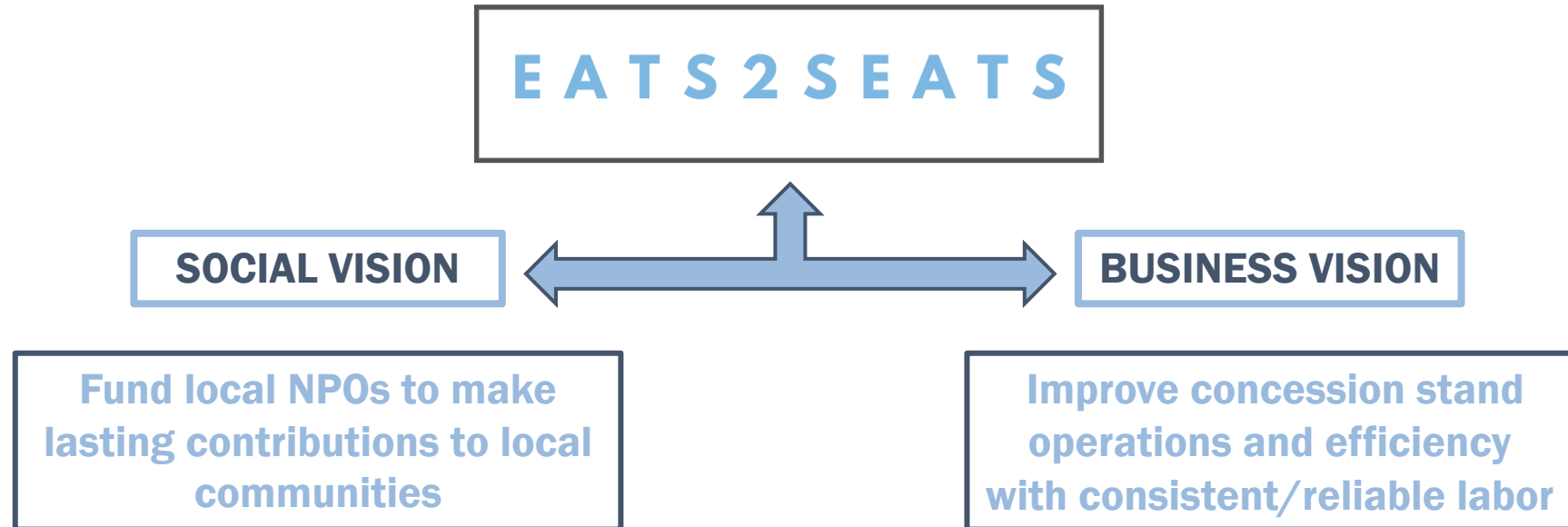
No Payment Guarantee



EATS2SEATS

# What is EATS2SEATS?

## Vision and Mission



***“Enhance Concession Stand Efficiency,  
Improve Fan's In-Game Experience,  
Invest in Communities”***

# What is EATS2SEATS?

Competitive Differentiators



## Alcohol Vendor

Ability to recruit the untapped pool of 18+ year old college students



## Food Delivery

We operate a food delivery app that creates a unique fan experience



## Contractor Status

As a contractor, E2S can hire staff to manage booths, and utilize tips



## Energized

2020 has destroyed the industry, there is no better time to enter the arena



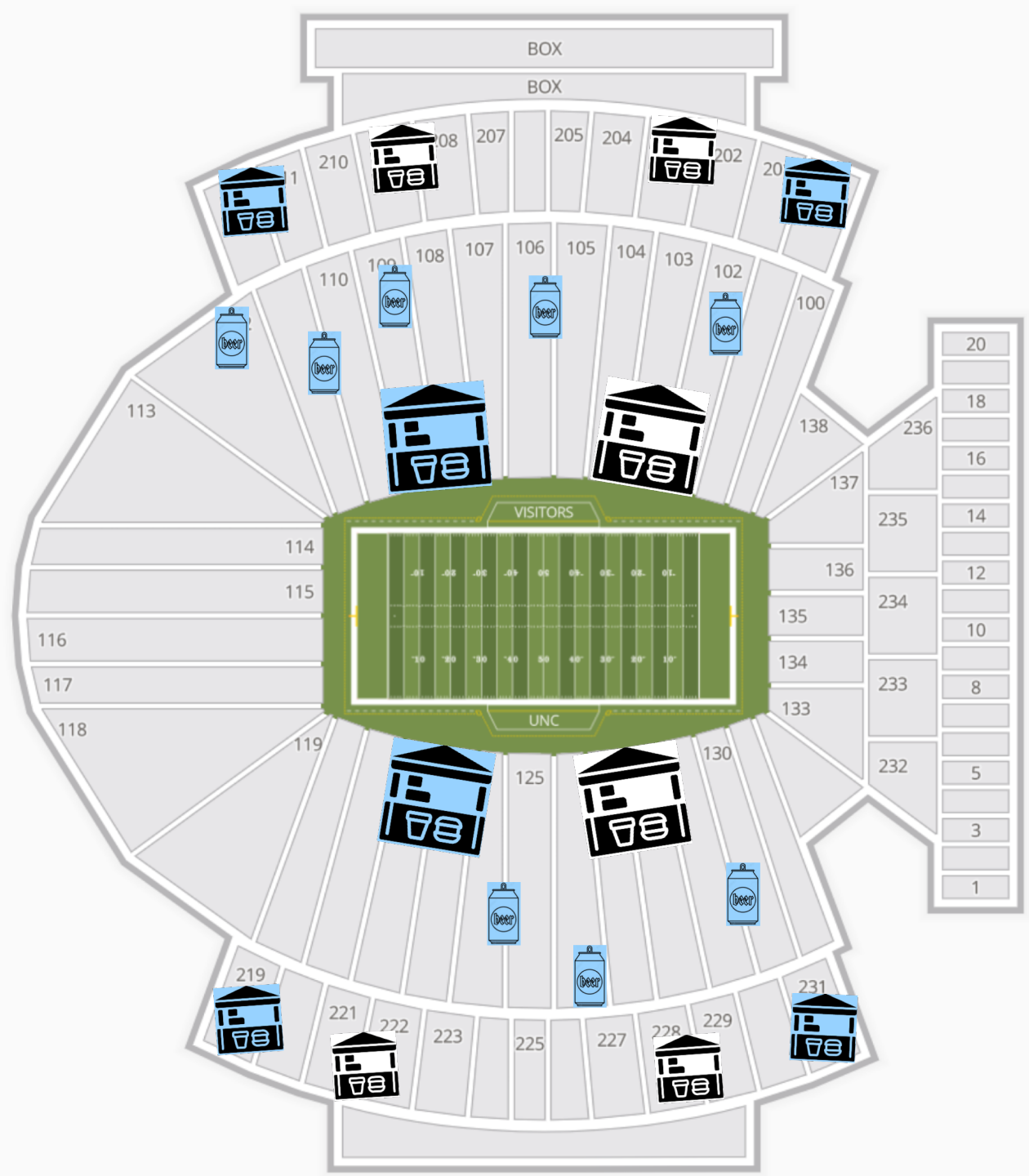
# Operations



# Operations

## Kenan-Memorial Game Day Fleet

-  **Large Food Stand**  
~12 people to staff
-  **Large Beer Cave**  
~12 people to staff
-  **Small Food Mezzanine**  
~3 people to staff
-  **Small Alcohol Mezzanine**  
~5 people to staff
-  **Beer Portables**  
~5 people to staff



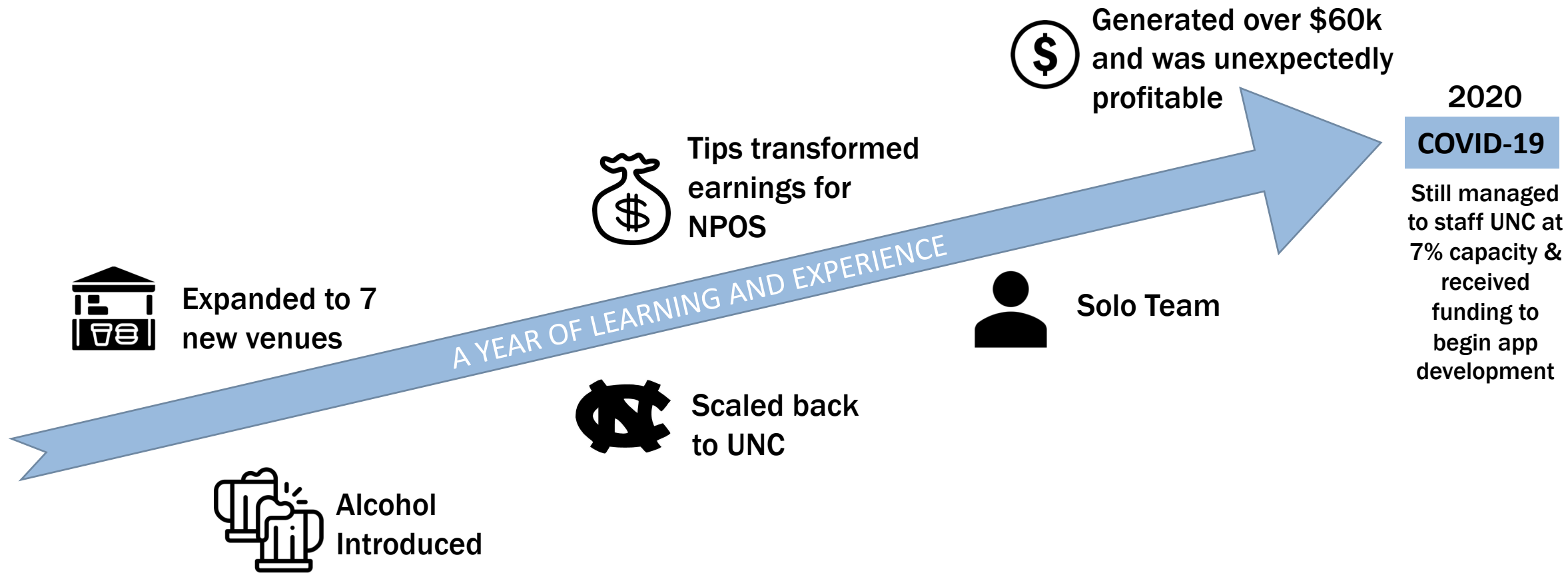
# Operations

## Revenue Model

- ① **Revenue:** Revenue share of Concession Sales + Potential Bonuses
- ① **Expenses:** COGS (Salaries and NPO costs), Lawyers, Insurance, CPA
- ① **We Pay NPOs a Flat Rate for All Games:**
  - Rate varies between \$40/football game and \$20/basketball game at UNC. (Plus all tips made from the game)
  - Flat rate guarantees NPOs wont be underpaid and will be paid immediately

# Operations

## 2019 Season Highlights



# Future Operations Expansion Plan

Goal: Move out of the college space and into professional indoor arenas



**What problems need to be solved?**

# Staffing Processes: Sign Up and Allocation

## Endless Improvement Potential

- There is no simple or automated sign up system for managers or nonprofits



Turnover and  
Miscommunication  
occurs



Hours are spent  
over email/text  
answering  
questions

- I have to spend hours **manually allocating** staff to stands and figuring out locations



Some groups  
have to be split  
across several  
stands



Misplacement  
creates unhappy  
groups and low  
work retention

# Inventory Processes

## Endless Improvement Potential

ARAMARK  
Standsheet for 109-CONCESSIONS STAND  
AT AISLE 402

Component - 2144 - UNC CONCESSIONS  
Event Start datetime: 11/02/2019 7:30:00 PM  
Event End datetime: 11/02/2019 10:30:00 PM  
Event Type: FB - FOOTBALL  
Opponent: VA - VIRGINIA

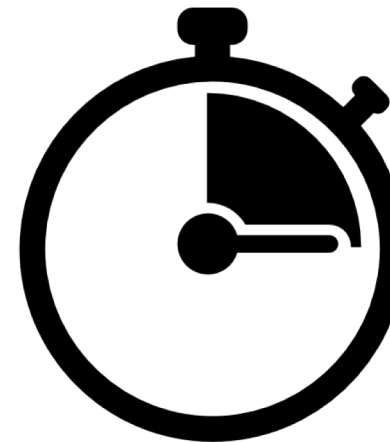
Item - Desc	TYS UNIT	Beg Inv	BEFORE		DURING		End Inv	Sold	\$ Sale Price	Reg	P
			Inv	Ret	Ret	Tot					
543 9001 - CUP SMALL 20 OZ EA		1,843		1,843				8.00	0		
9010 - CUP SOUV 20 OZ EA		282		282				8.00	0		
9090 - CUP HOT 16 OZ EA		0		0				4.00	0		
74 9190 - 87.5 OZ SASANI 20 OZ EA		744		744				6.00	0		
9088 - 20 OZ CRAFT BEER CUP EA		1,749		1,749				12.00	0		
9081 - 16 OZ COORS LIGHT EA		236		236				6.00	0		
9080 - 16 OZ RIO LIGHT CAN EA		0		0				6.00	0		
2093 - NUCLEAR POWWOM 5.6 OZ EA		0		0				3.00	0		
2095 - BOTTLES EA		0		0				3.00	0		
2014 - M&M PEANUT EA		0		0				3.00	0		
2013 - M&M MILK CHOCOLATE EA		0		0				3.00	0		
7028 - BB - CHEZBROS & CHIP EA		0		0				7.00	0		
8029 - HUNT BROS HUNK EA		0		0				6.00	0		
1001 - FRANK 675 HEBREW EA		0		0				6.00	0		
1029 - UNC POPCORN BAG EA		0		0				6.00	0		
1081 - BOTTLES EA		0		0				10.00	0		
1100 - CUP CHEESE 4 OZ EA		0		0				2.00	0		
1224 - UTZ POTATO CHIP EA		0		0				1.00	0		
7126 - BAG PEANUTS 7 OZ EA		82		82				4.00	0		
8406 - NACHO CHIP BAG 3OZ EA		0		0				9.00	0		
8148 - CHRONIC BURRITO TO GO EA		0		0				18.00	0		
9080 - \$5 EMPLOYEE COUPON EA		0		0				6.00	0		
9081 - \$10 EMPLOYEE COUPON EA		0		0				10.00	0		
28 1070 - PRETZEL 3.0OZ EA		0		0				6.00	0		

INVENTORY TOTAL \$ \_\_\_\_\_  
SALES (cash/cc/coupons) \$ \_\_\_\_\_  
CASH OVER/(cash short) \$ \_\_\_\_\_  
NPO Signature \_\_\_\_\_  
aramark \_\_\_\_\_

Building : AR-BL1 UNC DEAN SMITH CENTER User Id: BEROSA Page 7 of 118

Inventory of products sold had to be **hand-counted** and calculated on paper with mental math both **BEFORE** and **AFTER** the period of sales.

1-hour  
pre-sales



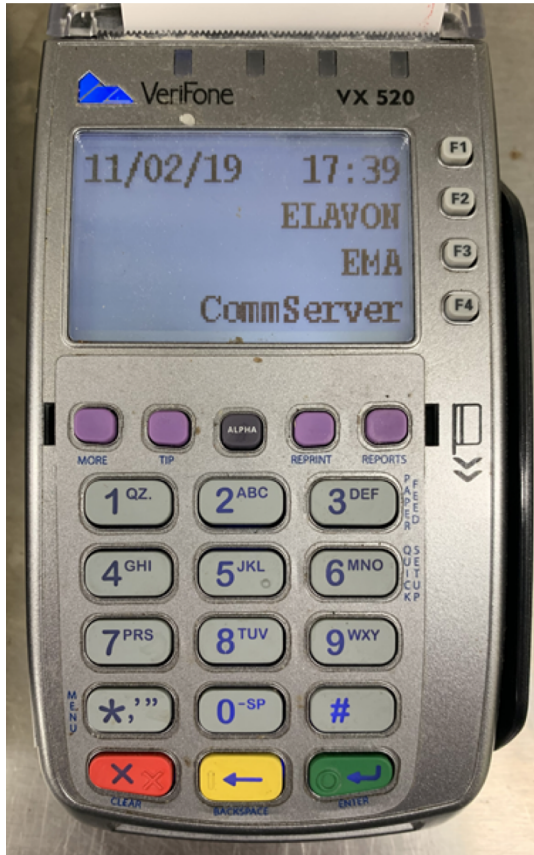
45 minutes  
post-sales

Any inventory unaccounted for or mishandled was automatically considered a loss, cutting profits.



# Transaction Processes

## Endless Improvement Potential



- Cashiers use outdated payment equipment



**15%** System  
Failure Rate



**4** Actions  
Required to  
reach Payment  
Screen

- Absence of product inputs forces cashiers to mentally calculate totals and ignore important tasks



**4%** Cashier  
Error Rate



**NO** time to  
track inventory  
or conduct  
quality control

# Digitize Signup, Staffing, Transactions and Inventory

Simplifying these processes will significantly reduce challenges



1. Allow cashiers to count inventory in real time
2. Custom pricing for concessions eliminates need for mental math
3. Run Food Delivery in-house rather than contract Fan Food



Average Transaction Time reduced by 4 seconds, and **ELIMINATES** human error



**INSTANT** inventory assessment allows the stand to potentially extend sales period

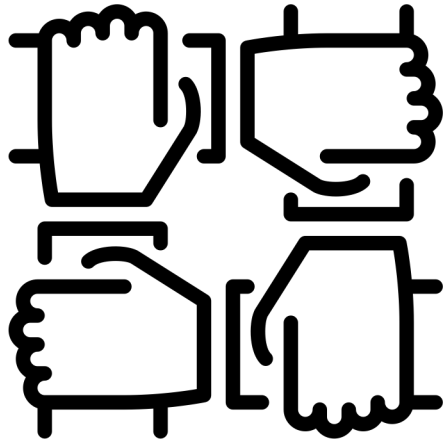


**MORE REVENUE**

# Why choose EATS2SEATS?

Join a team that will implement your tech in scaled operations:

## Build on an Existing System



Get a head start on code and incorporate new technology to better track staffing and ease scaling

## Design a Allocation System



Build an All-Star system that automates sign-up to stand allocation and reduces significant staffing stress

## See Your Work Come to Life



As a revenue generating company, see your work implemented at division 1 stadiums across the Southeast!

**Thank You!**  
**Questions?**

# Appendix



# Operations

## 2020 Revenue Projections Pre-COVID-19

Summary				
2020				
<u>Revenue</u>				
	<u>Football</u>	<u>Basketball</u>	<u>Concerts</u>	<u>Total</u>
North Carolina	\$ 37,440	\$ 85,158	\$ -	\$ 122,598
Tennessee	\$ 42,000	\$ 63,750	\$ 18,750	\$ 124,500
Virginia	\$ 12,600	\$ 28,160	\$ 14,025	\$ 54,785
East Carolina	\$ 24,000	\$ -	\$ -	\$ 24,000
<b>Total Revenue</b>	<b>\$ 116,040</b>	<b>\$ 177,068</b>	<b>\$ 32,775</b>	<b>\$ 325,883</b>
<u>Costs</u>				
	<u>Football</u>	<u>Basketball</u>	<u>Concerts</u>	<u>Total</u>
North Carolina	\$ 11,880	\$ 25,500	\$ -	\$ 37,380
Tennessee	\$ 7,700	\$ 15,300	\$ 3,600	\$ 26,600
Virginia	\$ 7,700	\$ 14,400	\$ 3,600	\$ 25,700
East Carolina	\$ 4,740	\$ -	\$ -	\$ 4,740
Miscellaneous	\$ 3,000	\$ 6,500	\$ 500	\$ 10,000
<b>Total Cost</b>	<b>\$ 35,020</b>	<b>\$ 61,700</b>	<b>\$ 7,700</b>	<b>\$ 104,420</b>
<b>Total Profit</b>	<b>\$ 81,020</b>	<b>\$ 115,368</b>	<b>\$ 25,075</b>	<b>\$ 221,463</b>
<b>Margin</b>	<b>69.82%</b>	<b>65.15%</b>	<b>76.51%</b>	<b>67.96%</b>

### (\$) Factors that increase revenues:

- Serving alcohol
- Additional events
  - Basketball
  - Concerts

### (\$) Costs:

- Slightly different infrastructure at different schools, therefore some venues are more expensive
- Miscellaneous
  - Additional costs (Lawyers, extra incentives, Insurance, headhunters)

# Current Valuation

Completed by  
Kenan-Flagler  
Executive MBA  
Class

Valuation Multiplier	Multiplier x	Eats 2 Seats Valuation End of 2019	Dependent Variables	year 1	year 2	year 3	year 4	year 5
Conservative	5	\$141,525	Growth Rate	200%	200%	200%	300%	300%
Median	6	\$169,830	Exp. Equity Share Dilution	30%	30%	20%	10%	10%
Confident	7	\$198,135	Dividend	0%				

Eats 2 Seats Year End Valuation	end year 1 (20')	end year 2 (21')	end year 3 (22')	end year 4 (23')	end year 5 (24')
Profits	\$56,609.86	\$113,219.72	\$226,439.44	\$679,318.32	\$2,037,954.96
Conservative Valuation 5x	\$283,049.30	\$566,098.60	\$1,132,197.20	\$3,396,591.60	\$10,189,774.80
Median Valuation 6x	\$339,659.16	\$679,318.32	\$1,358,636.64	\$4,075,909.92	\$12,227,729.76
Confident Valuation 7x	\$396,269.02	\$792,538.04	\$1,585,076.08	\$4,755,228.24	\$14,265,684.72

based 55% margin

Investment Returns w/ Cash Flow	Investment Amount	Equity Value w/ Cash Flow				
		year 1	year 2	year 3	year 4	year 5
Conservative Investment 5x	-\$42,457.40	\$84,914.79	\$169,829.58	\$226,439.44	\$339,659.16	\$1,018,977.48
Median Investment 6x	-\$50,948.87	\$101,897.75	\$203,795.50	\$271,727.33	\$407,590.99	\$1,222,772.98
Confident Investment 7x	-\$59,440.35	\$118,880.71	\$237,761.41	\$317,015.22	\$475,522.82	\$1,426,568.47

Investment Returns w/out Cash Flow	Investment Amount	Equity Value w/out Cash Flow				
		year 1	year 2	year 3	year 4	year 5
Conservative Investment 5x	-\$42,457.40	\$84,914.79	\$169,829.58	\$226,439.44	\$339,659.16	\$1,018,977.48
Median Investment 6x	-\$50,948.87	\$101,897.75	\$203,795.50	\$271,727.33	\$407,590.99	\$1,222,772.98
Confident Investment 7x	-\$59,440.35	\$118,880.71	\$237,761.41	\$317,015.22	\$475,522.82	\$1,426,568.47

Based on Equity Stake of 30% at time of Investment	Value of Investment Equity at Y5 w/out Cash Flow	Equity Multiple on Investment (Baked into Growth Rate)	IRR w/out Cash Flow	Value of Investment Equity at Y5 W/ Cash Flow	Equity Multiple on Investment (Baked into Growth Rate)	IRR w/ Cash Flows
Conservative Investment 5x	\$1,018,977.48	24.00	273.22%	\$1,018,977.48	24.00	273.22%
Median Investment 6x	\$1,222,772.98	24.00	273.22%	\$1,222,772.98	24.00	273.22%
Confident Investment 7x	\$1,426,568.47	24.00	273.22%	\$1,426,568.47	24.00	273.22%

Convertible Note Model					
vvv Inputs Below vvv					
note	\$51,000.00	Equity	Value of initial investment		
int	0.2	@ Cap	23.18%	\$255,000.00	
discount	0.2	@ Discount	5.80%	\$63,750.00	
cap	\$200,000.00	Int earned on note	\$20,400.00		
New money	\$100,000.00	Purchasing Power	\$71,400.00		
Valuation	\$1,000,000.00				

Auto-Generated Description: \$51000 Convertible note paying 20% interest with a \$200000 pre-money cap and 20% discount.

# Goals for Startup UNC:

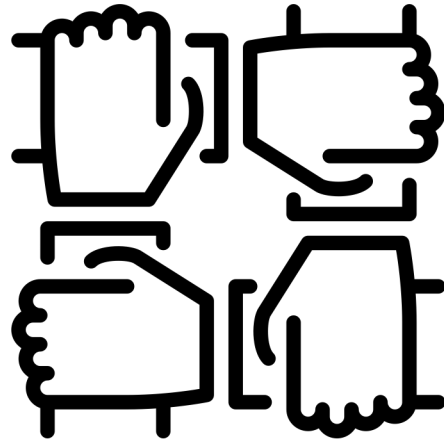
The primary need for EATS2SEATS is to dissect scaling needs in-depth:

## Recognize Areas with Investment Needs



Understand financials for scaling, forming a board, app development, and team growth

## \*Correctly\* Build a Team



Understand how to create an All-Star team with diverse thought (advisory board, mentors, partners, employees vs. contractors)

## Prepare Negotiations



Restructure the staffing and payment systems to maximize margins and negotiate better contracts with Aramark accounts



# Operations

## 2020 Revenue Projections Pre-COVID-19

Venue	Events	# Events/Year	Est. Revenue	Est. Cost	Est. Profit	Notes/Assumptions
UNC	Football Basketball	22-25	~\$120,000	~\$40,000	~\$80,000	Infrastructure set up at UNC is a lot less efficient than other schools, however we should adjust this going forward.
UT	Football Basketball Concerts	25-30	~\$120,000	~\$25,000	~\$95,000	Under assumption we are staffing beer portables at Football, 2 big stands with beer at Basketball, and doing 3-5 concerts/year.
UVA	Football Basketball Concerts	25-30	~\$55,000	~\$25,000	~\$30,000	Under assumption UVA does not sell alcohol at events, and we are working 3-5 concerts/year
ECU	Football	6-7	~\$25,000	~\$5,000	~\$20,000	Under assumption that we are staffing beer portables at Football.

# Operations

## Future Venues Revenue Projections

Connection	Venues	Type of Events	# Events /Year	Est. Revenue	Est. Profit	Notes
<b>North Carolina</b>	PNC (Raleigh) Spectrum Center (Charlotte)	<b>PNC:</b> NHL, NCAA Basketball, Concerts <b>Spectrum:</b> NBA, Concerts	<b>PNC:</b> 60+  <b>Spectrum:</b> 45+	<b>PNC:</b> ~\$240,000+  <b>Spectrum:</b> ~\$180,000+	<b>PNC:</b> ~\$160,000  <b>Spectrum:</b> ~\$120,000	Assuming we provide 30+ Staff/Event, 8-10% Revenue Share
<b>Aramark</b>	Capital One (DC) Wells Fargo (Philadelphia)	<b>Both:</b> NHL, NBA, Concerts	<b>Both:</b> 90+	<b>Both:</b> ~\$360,000+	<b>Both:</b> ~\$240,000 Each	Assuming we provide 30+ Staff/Event, 8-10% Revenue Share
<b>South</b>	Bridgestone (Nashville) State Farm (Atlanta)	<b>Bridgestone:</b> NHL, Concerts <b>State Farm:</b> NBA, Concerts	<b>Bridgestone:</b> 70+ <b>State Farm:</b> 50+	<b>Bridgestone:</b> ~\$280,000+  <b>State Farm:</b> ~\$200,000+	<b>Bridgestone:</b> ~\$185,000  <b>State Farm:</b> ~\$130,000	Assuming we provide 30+ Staff/Event, 8-10% Revenue Share

# Operations

## 2019 Stand Lifts

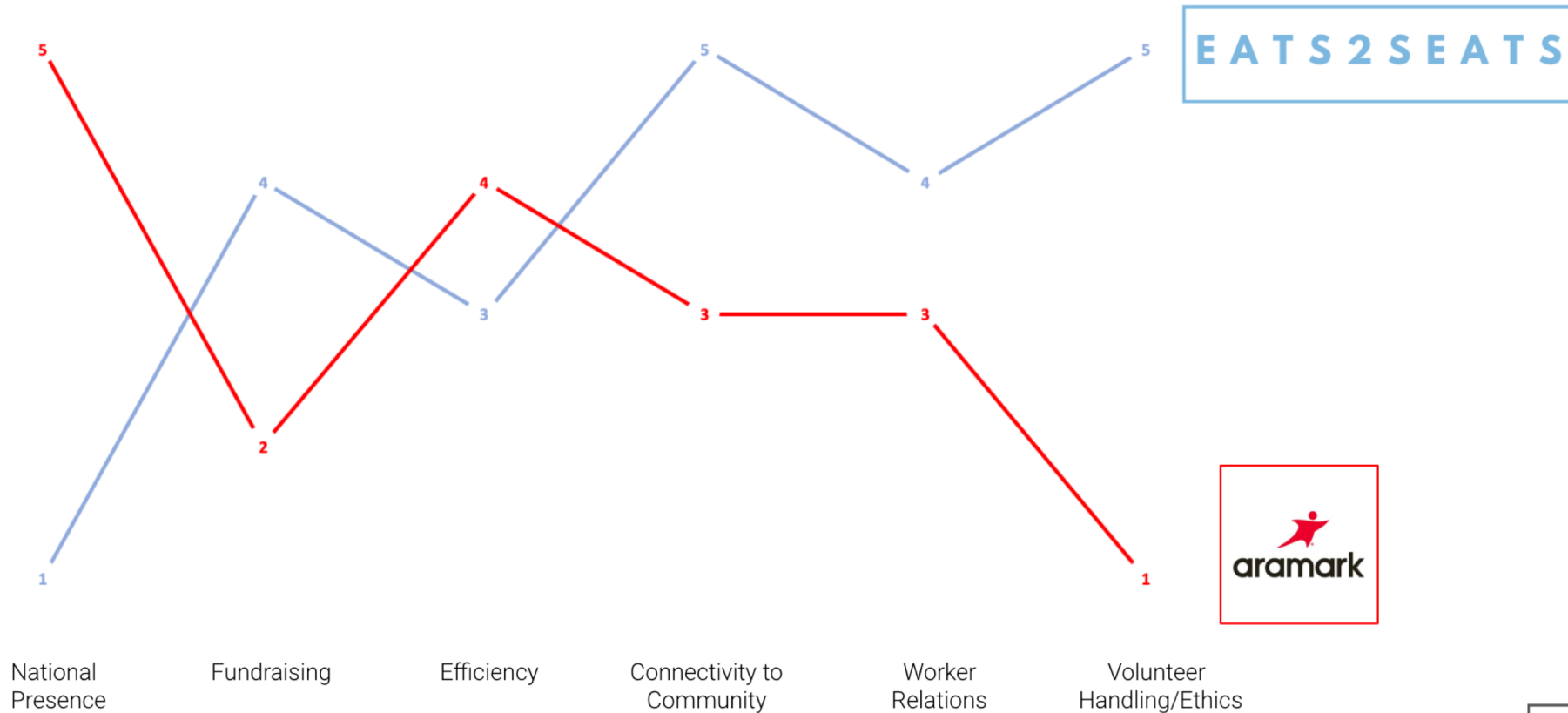
H	I	J	K
Cumulative Average	Historic Stand Average	Lift (%)	Lift (\$)
3,495.67	2,508.00	39.38%	\$ 987.67
3,531.00	2,821.00	25.17%	\$ 710.00
3,585.33	2,318.00	54.67%	\$ 1,267.33
4,179.50	2,677.00	56.13%	\$ 1,502.50
11,844.40	5,692.00	108.09%	\$ 6,152.40
13,012.67	4,929.00	164.00%	\$ 8,083.67
6,321.25	2,791.00	126.49%	\$ 3,530.25
7,558.75	3,537.00	113.71%	\$ 4,021.75
6,464.75	3,576.00	80.78%	\$ 2,888.75
6,625.33	3,558.00	86.21%	\$ 3,067.33
<b>\$ 66,618.65</b>	<b>\$ 34,407.00</b>	<b>93.62%</b>	<b>\$ 32,211.65</b>

**2019 football season saw 93.62% lift in stands with alcohol sales which averaged 32k MORE in revenue per game**

# Operations

## ARAMARK vs. EATS2SEATS Volunteer Experience

### Value Curve



# Executive Summary from Kenan-Flagler Operations Consulting:

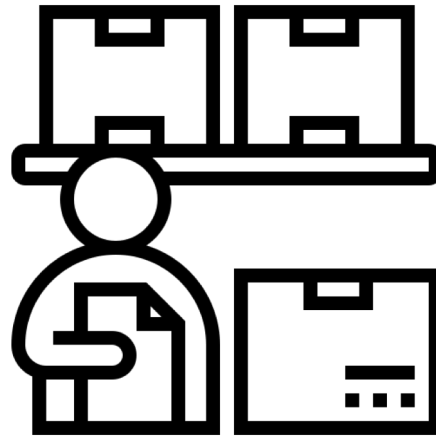
In order to operate more efficiently, E2S should implement these three strategies

## Design



Reformat the stand layout and create a push system for beer

## Digitize



Incorporate new technology in order to better track inventory

## Develop



Restructure the staffing and payment systems and build out digital platforms to revolutionize efficiency

# Implement new staffing structure

Cut costs by ridding of unnecessary workers

- ✓ Cut staff in “Beer Cave” stands from 10 to 8
- ✓ Utilize workers with high slack time more effectively

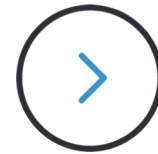
## Credit Card Line



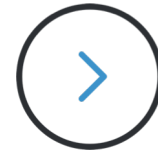
Cash-only line  
(or lack thereof)



Cut worker at cash-only register



Cut “runner” worker



Improve payment system technology

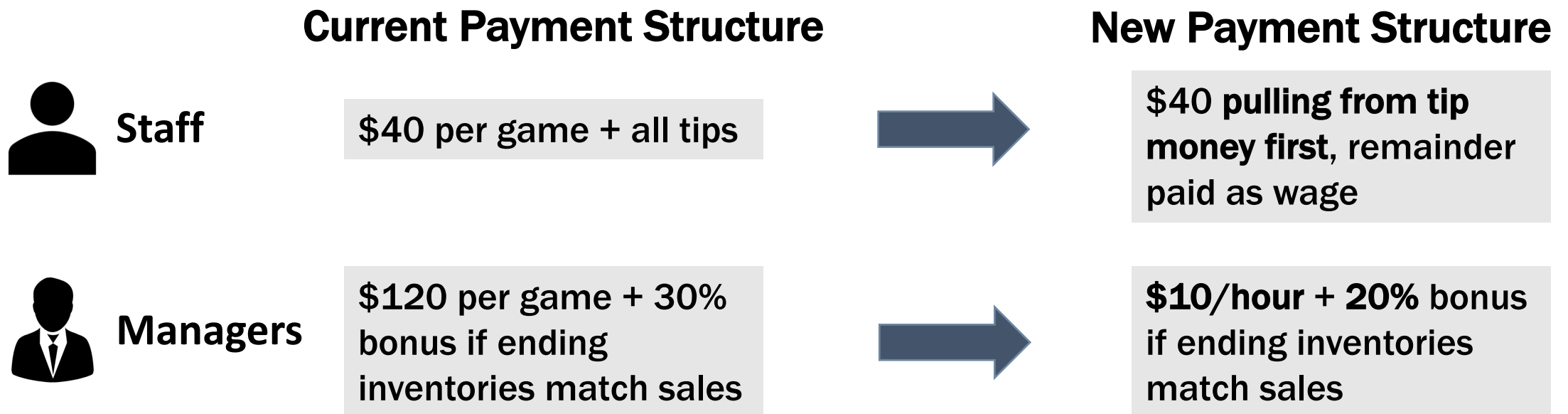


More efficient operations at lower cost

# Develop - Implement new payment structure

Cut costs with more reasonable wages per staff member

- ✓ Allocate more staff payment from the tips
- ✓ Pay managers on an hourly basis with a lower bonus



# Staffing Processes

## Endless Improvement Potential

- ✓ Currently staff **10** people in each stand with **1** Stand Manager
- ✓ Not all staff members have an impactful job
- ✓ People are being paid **\$40** per game plus getting to keep **100%** of their tips
- ✓ With tips, some staff members could be making up to **\$20**/hr.





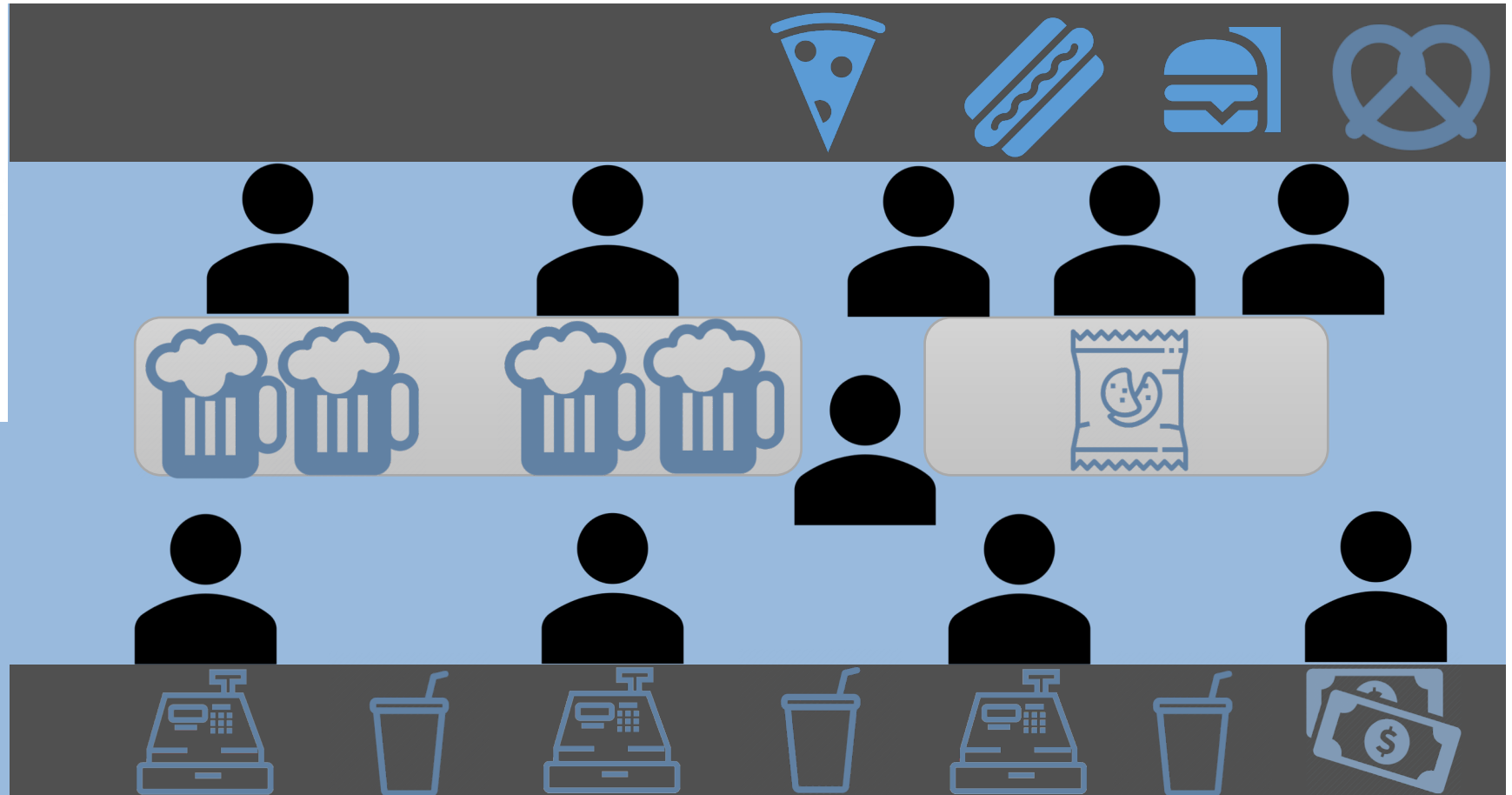
# The Concessions Stand – Current Layout of Beer Cave

1 manager. 3 registers. 4 kegs. 6 snacks. 11 workers.

Running  
Manager



Stand  
Manager



# Design- Stand Improvements

More Space, Less Workers/Costs, Same Output

