

# Disruptive Entrepreneurship, Development of a strategy for disruptive innovation using Design Thinking methods and tools, with a special focus on fast scalable start-ups in the FMCG industry

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Vienna, 31.08.2021

## Affidavit

I, DIPL.-WIRTSCH.-ING. (FH) EIKE SCHOPPER,

hereby declare

1. that I am the sole author of the present Master's Thesis, and that I have not used any source or tool other than those referenced or any other illicit aid or tool,
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## Abstract

Understanding consumers' issues, aspirations, and wants - and assisting them in solving or attaining them – is the only method and generally the secret to small business success. Design Thinking is a human-centered innovation method in which humans are included in the product and service development process from the start. It's a method in which the final product is built on "human-centric solutions" to people's issues, goals, and requirements.

Inspiration, ideation, and implementation are the three phases in the process.

All three phases were investigated and emphasized as a case study based on a business strategy in the framework of this thesis.

The interview is a tool that originated in the Inspiration phase and is highly successful at producing meaningful customer insights. This strategy, along with the transformation methodology of "How Might We" questions employed during the Ideation phase, proved to be highly beneficial in developing the company concept.

As a result, totally new solutions that are highly beneficial to the client have been developed. Approaches like the Business Model Canvas have shown to be quite useful in continually challenging the concept, looking at it from new angles, and considerably improving it. This is a characteristic of the implementation phase.

Identifying consumer needs that are not properly satisfied by existing products and generating a new idea based on these requirements is a key success factor in building a successful business model and therefore effectively starting a venture.

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## Register of abbreviations

BLW	Baby let weaning
BMC	Business Model Canvas
CAGR	Compound Annual Growth Rate
DT	Design Thinking
EU	European Union
FiBL	Research Institute of Organic Agriculture
IFOAM	Global land under organic farming
POC	Proof of Concept
S.M.A.R.T.	Goals - Specific, measurable, achievable, relevant, and time-bound goals
UN	United Nations
USD	Currency unit of the United States
USP	Unique selling point
VC	Venture Capital

# Executive Summary

We are living in the Customer Era.

In this new era, large established companies are increasingly losing ground to small innovative start-ups. These small businesses are frequently very quick in providing solutions that meet specific customer needs.

To satisfy customers, the only way and usually the secret to success for these small businesses is to understand their problems, goals, and needs – and assist them in solving or reaching them. Design Thinking is a human-centered innovation approach in which humans are involved in the development of products and services from the beginning. It is a process in which the end result is based on "human-centric solutions" to people's problems, goals, and needs.

The procedure is broken down into three steps: inspiration, ideation, and implementation.

In the context of this thesis, all three steps were examined and highlighted as a case study based on a business plan.

Tools originated in the Inspiration phase, such as the interview, are extremely effective at generating useful consumer insights. This method, along with the transformation technique of "How Might We" questions used during the Ideation phase, was extremely helpful in the creation of the business concept. This has enabled the development of completely new solutions that are extremely advantageous to the client. Following approaches, such as the Business Model Canvas, have proven quite helpful in repeatedly questioning the notion, looking at it from fresh perspectives, and significantly enhancing it. This is a distinguishing feature of the implementation phase.

One of the important success aspects in developing a successful business model and hence effectively launching a venture is identifying client demands that are not adequately met by existing products and developing a new concept based on these needs.

The insights gathered from interviews and rendered useable through transformation were compared to the market's existing offerings and goods. We focused our concept development on areas where we were able to find particularly pronounced pain points and where the offer was not yet extensive. The domains of sustainable packaging, BLW, regional, and freshness were particularly notable in terms of the intersections between pain concerns and missing offers. As

a result, we recognized particularly potential opportunities in these domains and centered our business model on these four characteristics.

A best practice case for disruptive entrepreneurship was built using the described approach, which was accompanied by a very cohesive business plan. Disruptive entrepreneurship refers to the disruptive influence that such customer-focused initiatives can have on an industry, particularly on established companies. A financially extremely promising, highly innovative concept could be developed with the assistance of a human-centered management style.

This method may be easily extended to other industries that are particularly customer oriented, which in the customer era applies to practically all of them.

# 1 Introduction

## 1.1 Initial situation and problem definition

Startups are no longer regarded as amusing, unimportant sideshows; rather, they are regarded as forerunners in the culture of invention. They are also causing havoc in established sectors. At the same time, the expectations placed on them are unfathomably great. Fast-growing young enterprises, dubbed "gazelles," are beacons of hope for economic rejuvenation, growth, and favorable labor-market development. Policymakers place a high value on dynamic start-up activity since it is projected to provide high-quality job creation and have a big, beneficial impact on future economic development.(cf. Kühmayer, 2016)

Established corporations are losing the race for game-changing breakthroughs in an increasing number of industries. These enormous corporations that have been profitable for many years fail for a variety of reasons. However, the reality that leading organizations fail despite doing everything correctly appears odd. Yet, in the case of disruptive technologies, traditional success variables such as customer, profit, and growth orientation tend to be plain harmful and existentially threatening.(cf. Christensen, 1997) Furthermore, new businesses are continuously entering the market, customer needs are changing, and youthful employees have completely different values - digitization is significantly transforming the economy. Young enterprises on the startup landscape are demonstrating how to operate faster, easier, and more customer-friendly in the future.

At this point, I'd want to use the erstwhile venture Tesla as an example, which now has a bigger market value than the three most successful German automakers combined. Many top corporations already rely on outsourced startups for innovation. Vorwerk Companies is just one of many successful instances, with Lilly-do being one of the most profitable ventures in the traditionally conservative baby industry. These and many other examples demonstrate the importance of startups in innovation.

This thesis is on the babyfood market in German-speaking countries, which is also quite traditional, although some companies have been able to establish themselves successfully in the meantime. A very customer-focused business is formed with the support of "Design Thinking" methodologies, which is one of the most successful management tools of many inventive organizations such as Apple, SAP, and LEGO. In the form of a business plan, it is demonstrated

how market penetration is feasible through disruptive innovation, even in this field.(cf. Mutius, 2017) (cf. Gary, 2015)

## 1.2 Objective and research question

The general goal of this master's thesis is to conceptualize and construct innovation management tools based on Design Thinking approaches that are particularly suited for use in the disruptive innovation industry. These methods are reflected and enhanced in the context of a case study of a business plan for a startup in the fast-moving consumer goods sector.

The work's purpose is to determine which strategies are best suited for developing successful customer-oriented consumer solutions. Existing strategies, such as Design Thinking, or methodologies adopted by other successful ventures, will be employed. A startup's organizational qualities will also be expressed in detail in a business plan. The techniques will be fleshed out through interviews with a limited group of consumers.

As a result, the master thesis addresses the following research question:

**Which innovation management methods and techniques support a venture in creating successful consumer-oriented solutions?**

A startup from the fast-moving consumer goods sector is used as a case study.

**What are the success factors to successfully found, organize and exponentially grow a venture that enters a traditional market with disruptive innovations?**

The results of the analysis respectively the thesis shall serve as a best practice case which can be used as a guideline for the implementation of disruptive innovations in the field of startups but also for established companies in the context of corporate venture programs.

### 1.3 Methodical approach

The aim of the work is to analyze which innovation tools of Design Thinking are particularly suitable in the creation of the business model of a venture. These are examined using the case study of a business plan of a venture in the baby food industry. By means of literature research, the necessary definitions of terms and boundaries are first determined. On basis of - the strategy papers, concepts and derived management methods relevant for Ventures appropriate reference points are worked out. By researching the Internet and evaluating articles, concepts and studies, various innovation management methods are introduced, and existing methods are evaluated. For the practical application and consolidation of the knowledge gained from the various literature sources, guided expert interviews and qualitative content analysis will be conducted. Thereby, the knowledge gained so far will be condensed and supplemented. Furthermore, "best practice" examples for ventures in their application will be created by the application of Design Thinking methods.

The results of the work are therefore based on a comprehensive literature research combined with the results of the expert interviews.

## 2 Definition of terms

Analysis - Breaking down a large single subject, issue, or problem into several parts is called analysis. This is required for better comprehension.

Behavioural Psychographics - Statistical data that describes how a person acts when they are introduced to, utilize, or think about a firm, association, or organization, or a specific product, service, offering, or industry category. Examples of behavioural psychographics include: a) enjoys demonstrating their technology abilities and knowledge in front of others; or b) prefers to buy products that are environmentally friendly.

Convergent Thinking – The ability to identify the best solution to a specific problem (and often a stated goal or outcome.) It has many qualities similar to Strategic Thinking. See Divergent Thinking for contrast.

Divergent Thinking - The ability to come up with as many different answers as possible, especially based on a revelation. It shares many characteristics with Creative Thinking. For a comparison, see Convergent Thinking.

Process of Decision-Making - Tools, strategies, or incentives (typically from marketing) that encourage a user to agree with or modify an opinion or belief, or to take a different action. (For example, to buy, vote, join, or promote something.) In-store sampling, "test drives," money-back guarantees, and experienced sales staff are examples of decision-marketing features.

Demographics – Statistical data, facts and characteristics which define a population, especially when used to identify consumer markets or target audiences. Examples of demographics include age, gender, university education, family status, financial worth, income, geography (usually identified through a group's postal code.).

End user - A group of people who interact with your company (ideally based on their behavior rather than statistics). However, they are unlikely to share a common attitude, opinion, or behavior/action. Customer, consumer, (main) target audience, buyer, act-er, stakeholder, shareholder, and tenant are all synonyms for end users. An external group of people (such as a



customer) or an internal group of people can be considered end users (such people in another department, team or agency).

Goal - The targeted commercial or organizational outcome is referred to as a goal.

Specific, measurable, achievable, relevant, and time-bound goals are known as S.M.A.R.T. goals.

Goals that are fuzzy are the polar opposite: they are oriented but not specific or unambiguous. The hazy goal can become more clear as teams work through the Design Thinking process and learn more about the problem and end user.

Influencers - People, objects, or events with the ability to sway (directly or indirectly) the target audience's thinking or behavior through argument, example, or personal force. The media is not included in this group. Professional trade organizations, unions, religious symbols or holidays, and celebrities are all examples of influences. (For a comparison, see Media.)

The target audience uses consumer, trade, industrial, or vertical media to form, shift, or reinforce attitudes, views, or knowledge.

Persona - A fictional but extremely realistic figure that represents the end customer of an organization's service or product, based on extensive research and involvement with their unmet requirements, behaviors, experiences, and ambitions. Personas and profiles are similar, however the latter is more broad and based on demographics (statistical, factual traits of the end user, such as age, gender, job). Personas are more concerned with psychographics (behavioural data, such as attitudes and opinions.)

Problem - An issue or circumstance that prevents an organization from going from its Current State or Mindset (today, or the goal) to its Desired State or Mindset (tomorrow, or the goal) (tomorrow, or the outcome).

Problem solving - figuring out what went wrong in the past and why things are the way they are now. Problem solving frequently entails assigning responsibility. It prefers to solve the current problem (or at the very least be the most expedient), rather than the core cause. The goal of problem solving is to do the correct thing. (For a comparison, see Finding Solutions.)

Psychographics - are statistical data that are used to research and measure general attitudes, behaviors, and lifestyle decisions, as well as opinions. They aren't tied to any one product, service, or sector. Psychographic examples include: If you're interested in new technology or are concerned about the environment, here is the place to be.

Finding solutions - To figure out how to make something better in the future, such as a product, service, or position. Rather than assigning blame, Solutions Finding focuses on determining what lessons were learned from mistakes and blunders. Its purpose is to explore possibilities, frequently in partnership with important stakeholders, in order to discover the best solution to a problem. The focus of Solutions Finding is on getting the job done correctly.

Synthesis - is the process of (re-)combining disparate pieces into a unified whole, usually at the conclusion of a scientific or creative investigation. Something new and fresh may arise by combining the individual pieces into a larger entity (or at least to an understanding).

Trigger - Something that has occurred, usually an occurrence that is unusual, unexpected, or surprising. A trigger is frequently a symptom of or the effect of a greater problem. Triggers make it urgent for Design Thinking programs to solve the problem.

Values - Deeply ingrained ideas or standards that are widely recognized by the target audience and that expressly dictate what they believe, their attitude toward a particular topic, and, ultimately, how they conduct. A comprehensive list can be found here.

Wicked Problems - A problem that is difficult or impossible to solve due to incomplete, contradictory, and changing needs that are sometimes difficult to identify.

Business model - A business model is a description of how a current business or a new business idea intends to succeed, generate a profit, and add value. In his book *The New, New Thing*, Michael Lewis summarizes it as "how you planned to make money."

**Business Model Canvas (BMC)** - A business model canvas (BMC) is a template for identifying the key elements of a business model in a single diagram. A business model canvas usually has nine major components.

**Elevator Pitch** - An elevator pitch is a brief, to-the-point statement delivered by one person to another in order to present a business concept. For example, a startup entrepreneur may give an elevator pitch to a potential investor seeking investment. More information on how to make an elevator pitch may be found in our guide.

**Entrepreneurship** - Entrepreneurship is the process of starting a firm, from concept to execution and management. An entrepreneur is a person who begins their own business and can be classified as entrepreneurial.

**Incubator** - An incubator is a program designed to help new startup enterprises develop sustainable business models, strategies, and profit plans. Incubators are different from accelerators in that many people seek out incubators with nothing more than a great idea.

**Proof of Concept (POC)** - A proof of concept (POC) is a determination of whether a concept, product, or service is practical and has potential.

**Scale** - refers to a company's ability to expand while maintaining or improving its performance, effectiveness, or efficiency.

**Selling Point Differentiator** - A unique selling point, or USP, is a feature of your product or service that distinguishes it from those offered by competitors.

**Value proposition** - A value proposition is a declaration or promise about the value of a product or service, including its characteristics and benefits.

Venture Capital (VC) - Venture capital (VC) is a method of financing in which a startup trades a portion of its ownership for money. In other situations, the firm may also hand over control to executives chosen by the VC, albeit this is usually only for a limited time.

It's sometimes referred to as a "want to be entrepreneur" in a bad sense.

Workshop - A workshop is a gathering of people for the purpose of receiving training and instruction on a specific topic. The duration of a workshop might range from a few hours to many weeks. A workshoping event is usually led by one or more instructors who guide the participants.

## 3 Research part

### 3.1 Design Thinking

“Design Thinking is a human-centered approach to innovation that draws from the designer’s toolkit to integrate the needs of people, the possibilities of technology, and the requirements for business success.” (David, 2011, p. 4)

The value of design has grown steadily over the years. Consumers in today’s generation have easy access to global markets. They no longer differentiate between physical and digital encounters. This has made it harder for businesses to differentiate their products or services from the competition. Infusing your firm with a design-driven culture that prioritizes the consumer may not only yield tangible and verifiable outcomes, but it may also offer you with a distinct competitive advantage. Certain characteristics are shared by all companies that have adopted a design-driven culture. For starters, these companies view design as more than just a department. Firms that specialize in design try to encourage all functions to focus more on their customers.(cf. Kumar, 2013; cf. Stickdorn and Schneider, 2011)

By doing this, they are also conveying a message that design is not a single department, in fact, design experts are everywhere in an organization “working in cross-functional teams and having constant customer interaction”. (David, 2011, p. 41)

Second, design is much more than a phase for such businesses. Popular design-driven organizations conduct both qualitative and quantitative research during the early product development phase, combining approaches such as ethnographic research and in-depth data analysis to fully grasp the needs of their customers. (cf. Liedtka and Ogilvie, 2011)

#### 3.1.1 Systematics of Design Thinking

By definition, “Design Thinking is both a methodology and a way of thinking. Design Thinking aims to release as much creative potential as possible among all stakeholders of an innovation project in order to systematically solve complex problems or tasks.” (Kelley, 2016, p. 48) Typically, the outcome of a Design Thinking process is an innovation. The process itself is aimed directly toward the user (e.g., customer) by providing the ideas and solutions developed in the innovation process as early as feasible in the process. Simultaneously, Design Thinking

employs a variety of techniques to make the user's point of view, including his or her desires, requirements, and goals, apparent to the innovation team and hence the firm. (cf. David, 2011) (cf. Liedtka and Ogilvie, 2011)

Scientific study in a variety of disciplines is investigating Design Thinking. In some ways, it resembles corporate strategy in that it aims to keep the organization creative, inventive, and close to its customers. In this regard, Design Thinking is defined as both a set of methods and an approach, way of thinking, and process. Design Thought relates to the methodological aspect: creative thinking should be nurtured, supported, and employed in a goal-oriented manner through a methodical framework. (cf. Stickdorn and Schneider, 2011)

“The goal of Design Thinking processes: The Innovation” (David, 2011, p. 78)

The goal of Design Thinking processes in organizations and companies “is the creative solution of a problem or task or the creative development of new products or business areas: In other words, an innovation”. (David, 2011, p. 24) An innovation does not always have to be a game-changing invention that alters the world as we know it. Significant innovations can simply be "minor." If, for example, a team develops a concept to make internal corporate procedures and processes more effective or faster, this is unquestionably an innovation for a firm in whose development it is worthwhile to invest. (cf. Anthony, 2008)

If Design Thinking is described as a method, then it is often meant as a defined procedure of how a Design Thinking process is structured. Such a Design Thinking method can be used for different tasks or problems and has probably proven itself through previous successes. (cf. Stickdorn and Schneider, 2011) Design Thinking, as a methodology, provides a number of tools, procedures, and specific techniques for carefully developing creative processes. Because of their expertise of approaches, Design Thinking specialists are especially beneficial for creative teams and corporations that seek to regulate or support creative processes. (cf. David, 2011; cf. Kumar, 2013)

### 3.1.2 The Design Thinking process

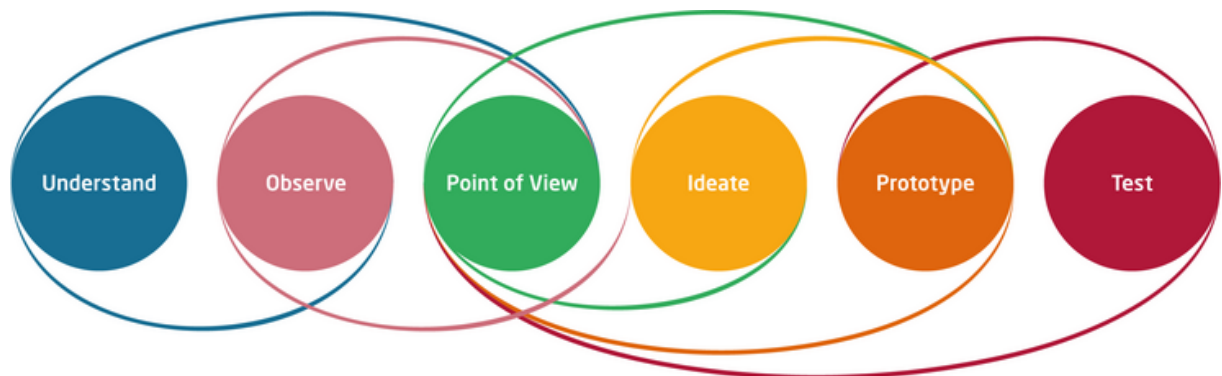


Image 1 Design Thinking Phases (Plattner, 2021)

The Design Thinking process is built on a designer's intuitive workflow process. The team is guided through iterative loops that take members through six phases divided into three major sections: (cf. David, 2011; cf. Kumar, 2013)

#### 1. Inspiration

You will learn how to better comprehend others throughout this phase. You will witness their lives, learn their hopes and desires, and become knowledgeable about your challenge. (cf. David, 2011)

- a. Understand: In the phase understand the team sets the problem space.
- b. Observation: In the phase observation, participants gain an outward view and form empathy for the users and stakeholders.
- c. Define the point of view: During the phase that defines the point of view, the knowledge obtained will be gathered and summarized, and the challenge will be reframed. (cf. Liedtka and Ogilvie, 2011)

#### 2. Ideation

Here, you'll make sense of all you've heard, produce a slew of ideas, find design opportunities, and test and enhance your solutions. (cf. David, 2011)

- d. Ideation: During the ideation phase, the team creates a number of solution ideas before deciding on a focus. (cf. Liedtka and Ogilvie, 2011)

### 3. Implementation

This is your chance to make your solution a reality. You'll figure out how to bring your idea to market and optimize its global influence. (cf. David, 2011)

e. Prototyping: The prototyping phase is used to generate concrete solutions. These solutions can then be evaluated on a suitable target group. (cf. Liedtka and Ogilvie, 2011)

f. Business case: The business case is where you turn your idea into a working business strategy. (cf. Martin, 2009)

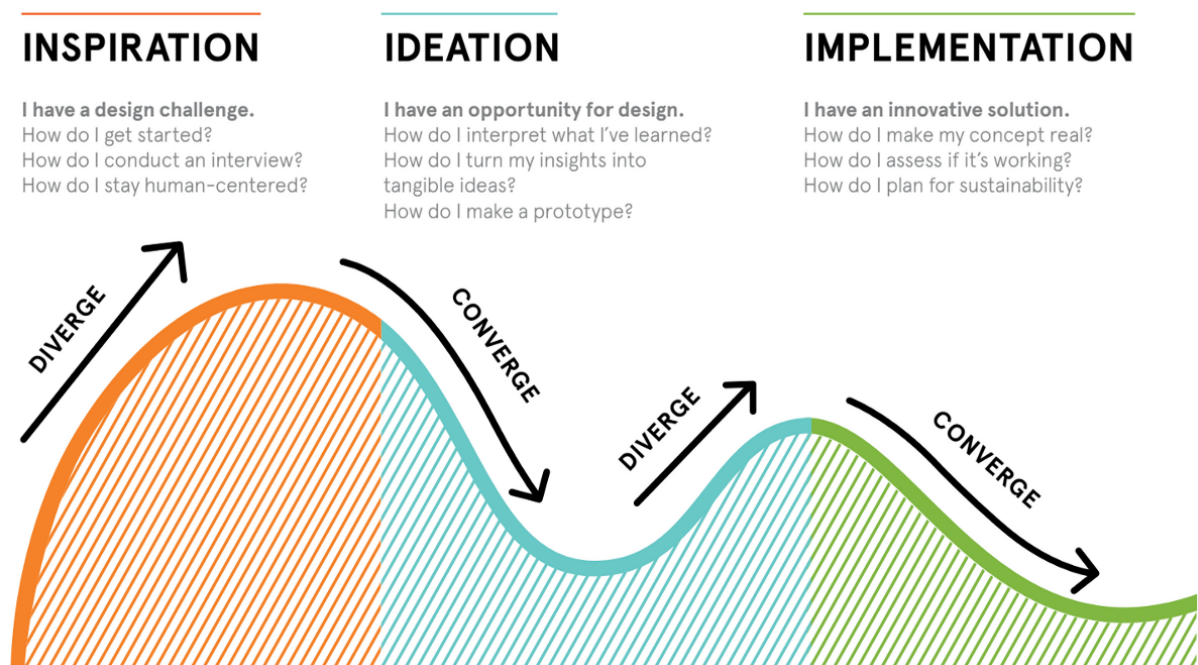


Image 2 Design Thinking Process (David, 2011)



### 3.1.3 Design Thinking tools

#### 3.1.3.1 Interview

The Interview is a Design Thinking tool found in the Phase "Inspiration."

There is no better way to grasp the dreams, desires, and aspirations of individuals for whom you are designing than to speak directly with them.

The essence of the Inspiration phase is, without a doubt, the interviews. Human-centered design is all about getting to know the people you're designing for and hearing their perspectives in their own words. Interviews might be intimidating, but by following the procedures below, you'll gain insights and understanding that you wouldn't obtain sitting behind your desk. Conduct your interviews in the person's environment wherever possible. By asking someone where they live or work, you might discover a lot about their attitude, behavior, and lifestyle. (cf. David, 2011; cf. Martin, 2009)

The interview can be divided into four stages:

1. No more than three members of the research team should attend any single interview in order not to overwhelm the participant or throng the location. Each team member should be assigned a specific role (i.e. interviewer, note-taker, photographer).
2. Prepare a list of questions you'd like to ask. Begin by asking broad questions about the person's life, values, and habits before moving on to more detailed questions regarding your difficulty.
3. Make sure to write down exactly what the person says, not what you think they might mean. This process is premised on hearing exactly what people are saying. If you're relying on a translator, make sure he or she understands that you want direct quotes, not the gist of what the person says.
4. What you hear is only one data point. Be sure to observe the person's body language and surroundings and see what you can learn from the context in which you're talking. Take pictures, provided you get permission first. (cf. Stickdorn and Schneider, 2011)

## Interview Guide

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### Open General

What are some broad questions you can ask to open the conversation and warm people up?

*What kind of job do you have?*

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*How are you paid?*

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*How do you save for the future?*

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### Then Go Deep

What are some questions that can help you start to understand this person's hopes, fears, and ambitions?

*How do you allocate your money now?*

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*Where do you actually keep the money you want to*

---

*put aside?*

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*What helps you save money?*

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*If you've visited a bank, tell us about your experience.*

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Image 3 Interview Guide (David, 2011)

### 3.1.3.2 How Might We

The “How may we” tool from the Ideate Phase is an extremely powerful one.

Reframe the insight statements as “How Might We” queries to turn them into design opportunities. Problem areas that pose obstacles to the individuals you're designing for are identified by Finding Themes and Creating Insight Statements. The insight statements are now reframed as a How Might We query in order to turn those challenges into design opportunities. A correctly framed How Might We does not recommend a specific answer, but rather provides the ideal framework for creative thinking. (cf. Kelley, 2016)

The tool can be structured into four phases:

1. Start by looking at the insight statements that you've created. Try rephrasing them as questions by adding "How Might We" at the beginning.
2. The goal is to find opportunities for design, so if your insights suggest several How Might We questions that's great.
3. Now take a look at your How Might We question and ask yourself if it allows for a variety of solutions. If it doesn't, broaden it. Your How Might We should generate a number of possible answers and will become a launchpad for your Brainstorms.
4. Finally, make sure your How Might Wes aren't overly broad. It's a hard procedure, but a good How Might We should provide you both a narrow enough frame to tell you where to start your Brainstorm, as well as enough breadth to enable you explore crazy ideas.(David, 2011)

## Create How Might We Questions

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### Turn Your Insights Into How Might We Questions

**Insight:**

Women want a private space in which to enter and exit the toilet.

**How might we** create a private zone for women before they fully exit the toilet?

**Insight:**

Without proper maintenance, toilets will become dirty very quickly.

**How might we** design toilets to be easily serviced and maintained?

**Insight:**

The people who live and work near a public toilet play a crucial role in directing users toward or away from it.

**How might we** create an experience that will drive the surrounding community to encourage more use?

Image 4 "How Might We" (David, 2011)

### 3.1.3.3 Business Model Canvas

This tool is also associated with the Ideation stage.

The Business Model Canvas (BMC) is a nine-element tool for defining and documenting a business model. The construction of the business model canvas is simply the first step in the development and implementation of a business model; before the "design" of the business model is defined and the strategy is developed, so-called "patterns" must be produced.(cf. Ries, 2011)

The 9 elements of the Business Model Canvas:(cf. Weinberg and Mares, 2016)

- Customer Segments

The definition of market segments and target groups is the core of every business model, on which all other elements depend.

- Value Proposition

The product and its value to the customer must be defined for each target group.

- Channels

Communication channels and distribution channels are a prerequisite for customers to learn about the products and to purchase them.

- Customer Relationships

This element describes how the business relationships with the individual customer groups are structured.

- Revenue Streams

Profit is the ultimate goal of any commercial endeavor. The Revenue Streams Building Block defines how revenues are generated. Profitability calculations are achievable when used in conjunction with the Building Block Cost Structure.(cf. Ries, 2011)

- Key Resources

This element describes which key resources are required to fulfill the value proposition and to serve the customers.

- Key Activities

This section lists the key activities to realize the business model.

- Key Partners

In most cases, a company needs partners to successfully implement a business model. This section lists, for example, the suppliers needed.

- Cost Structure

Here, all costs incurred to realize the business model are compiled and estimated. (cf. Blank and Dorf, 2020)

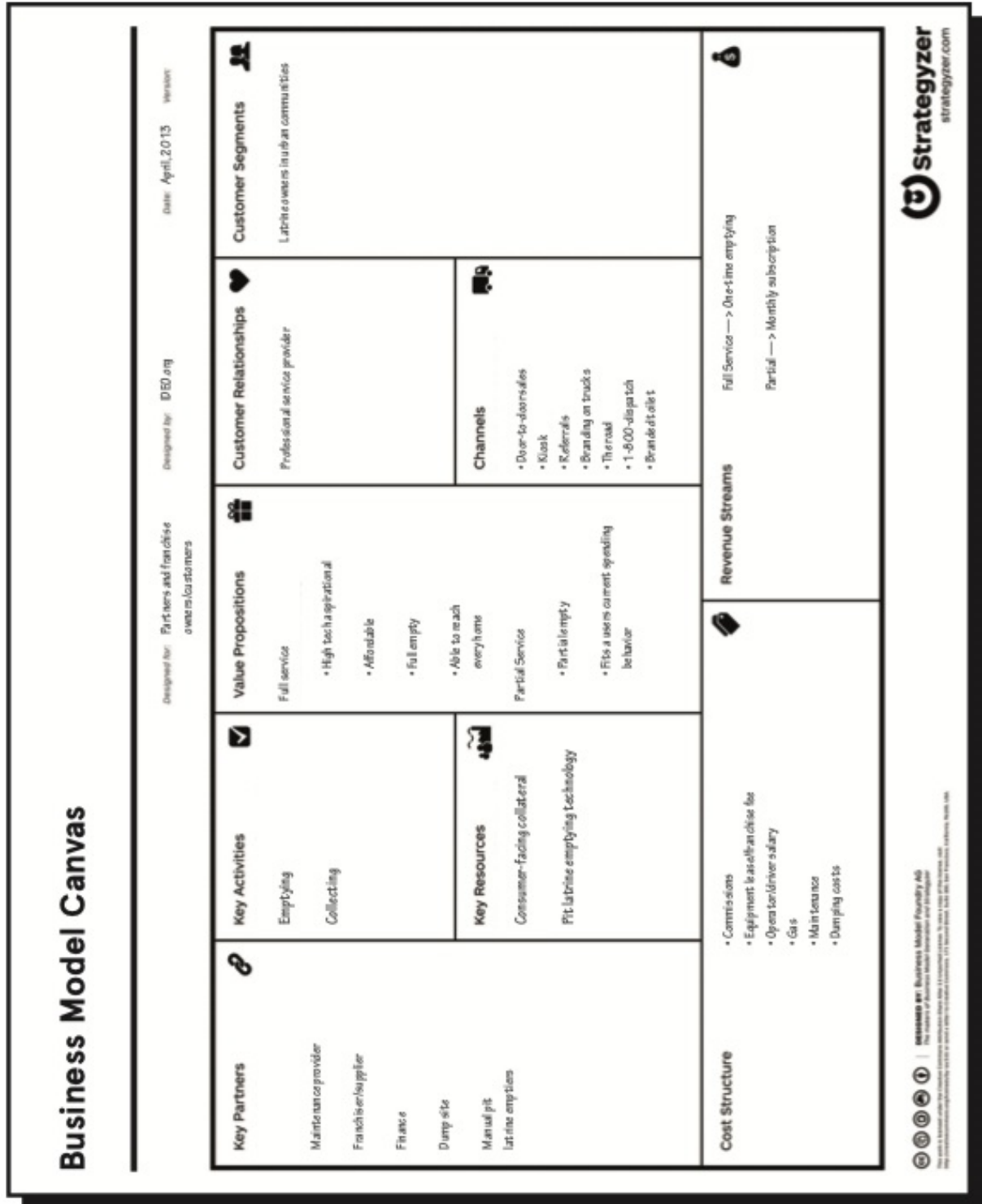


Image 5 Business Model Canvas (David, 2011)

### 3.1.3.4 Create a Pitch

The Implementation phase can be linked to the Create a pitch tool.(cf. Kelley, 2016)

Now that the concept has been solidified, the entrepreneurs want to share it with potential funders, partners, customers, and other stakeholders.

A pitch is an excellent technique to describe the concept, how it works, why it is important, and who it benefits. In the process of creating it, the key aspects of the concept are clarified and developed. One of the most common ways that business ideas are presented is through a pitch.

The essence of the product, service, or experience is the first thing that must be articulated. In less than a minute, a Pitch should outline the business model.

The pitch must be straightforward and unambiguous; avoid going into too much details. The concept must be promoted by describing how and why it is important.

The story must next be converted into some kind of format. A booklet, a website, a book, or a presentation might all be examples. It is possible to have more than one. External resources, such as a graphic designer, cameraman, or writer, are frequently required.

Different communication styles are required for different audiences. It is preferable to have stories with varied durations and degrees of information. (cf. Kumar, 2013) (cf. Liedtka and Ogilvie, 2011)



## Create a Pitch

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### Succinctly, what is your project?

*Asili is a sustainable social business designed to reduce under-five mortality in the Democratic Republic of the Congo. It offers clean water, a health clinic, and agricultural services.*

---

### Who do you need to pitch?

*Funders*

---

---

### What format(s) will your pitch take?

*A video to convey the vision*

---

*A presentation that we can make to possible funders*

---

### What's your short pitch? As you write it, think about how you'll expand it into a longer one.

*In the Democratic Republic of the Congo, 20% of children don't live to see their fifth birthdays. Asili, a new sustainable social enterprise from the American Refugee Committee and IDEO.org, is changing all that. By designing a holistic new approach to health care, food, clean water, and agriculture with the people of the DRC themselves, Asili is ensuring that more kids than ever get the right start.*

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Image 6 Create a Pitch (David, 2011)

## 3.2 Market assessment

This Chapter examines the market assessment of the German-speaking countries' dedicated consumer goods sector, particularly the baby food market. The existing consumer solutions (ready meals and home stoves) as well as future developments are examined.

### 3.2.1 Industry Analysis - Market Data and Future outlook

#### 3.2.1.1 Industry Trends

The global baby food market surpassed USD 18 billion in 2020 and is expected to increase at a 13.5 percent CAGR over the forecast period. (Bedford, 2020)

#### 3.2.1.2 Global Baby Food Market

Increasing desire for organic food, combined with an increasing infant population around the world, will fuel baby food market demand over the anticipated timeframe. Rising consumer and agricultural company and farmer knowledge of organic products, as well as increased availability of organic products, are two important reasons driving market expansion. In addition, there has been a considerable increase in the usage of organic ingredients in baby food production, which will positively impact product demand growth in the next years. According to a survey from the Research Institute of Organic Agriculture (FiBL) and IFOAM, the global land under organic farming increased from 30 million hectares in 2004 to 69.8 million hectares in 2018. Globally improved economic conditions, as well as greater spending by parents on high-quality, pricey organic baby food, will boost growth. According to the UN, the world's population will reach 8.6 billion in 2030, with an annual increase of approximately 83 million people. In 2015, there were about 670 million newborns aged 0 to 4 years old, and this figure is expected to rise to 700 million by 2020. Thus, increased organic baby food penetration, combined with an increasing newborn population throughout the projection timeframe, will drive industry growth. (Bedford, 2020)

Although organic baby food is of higher quality and has more nutritional content, it is also more expensive. This could be a huge setback for the market for organic infant food. Furthermore, severe government rules and quality requirements governing the baby food sector will have a

detrimental impact on the company's overall growth. Government measures to enhance breastfeeding knowledge among mothers, as well as their emphasis on home prepared meals, may have a negative impact on infant market growth during the forecast period. However, the growing number of working women populations around the world, as well as the increased preference for conveniently available and quick-to-prepare infant food, has emerged as an essential cause for the industry's rise in recent years. (cf. Bedford, 2020)

In 2018, Europe led the worldwide infant food market, accounting for more than 30% of global demand by volume. The presence of a large number of product makers and matching raw material providers in the region was the primary reason for such tremendous demand in the region. Tight competition among manufacturers, combined with severe EU rules, has compelled manufacturers to broaden their product variety and increase the nutritional value of their products. Furthermore, the high demand for organic baby food from clients has created numerous opportunities for product manufacturers in the region and around the world. (Bedford, 2020)

### 3.2.1.3 Competitive Market Share

The baby food industry is very competitive, with several major competitors present. Reckitt Benckiser, Nestle, Danone, Abbott, Kewpie Corporation, Hero Group, The Kraft Heinz Company, HiPP, DMK Group GmbH, PZ Cussons, and others are among the significant participants. These players have a very robust distribution network and use practically all distribution channel forms to their advantage.

### 3.2.2 Trends

There are currently some very strong developments in baby food.

- Freshness

The biggest trend is that towards freshness. Consumers prefer more and more fresh products, because they promise higher quality food. Sometimes the criticism is that the food is older than the child.

- Organic

Just about the entire baby assortment of all manufacturers is made in organic quality.

- On the go

More and more customers want to feed the food on the go, which is a very large further trend. Either products that can be consumed on the go or those that are packaged so that they can be easily stowed in a handbag or backpack.

- Sustainable packaging

More and more consumers attach great importance to sustainable packaging. Preference is given to packaging made of paper or glass. If plastic must be used, due to usability or other requirement, then preferably in recyclable quality.

- Online shopping

Like pretty much every other industry, the trade of baby supplies has shifted a lot to Amazon and Co. The baby food industry, however, has so far been spared. Almost all of it is still sold through drugstores or retailers. The retailers partially subsidize the items because the low-priced baby products lure customers into the store; the retailers then achieve margins through other products in the shopping cart. Babyfood can be bought online as good as not cheap.

- Cook it yourself

More and more parents put a value on home-cooked food, which of course also applies to their youngest. If the time is available is often cooked yourself. The social pressure to have to cook

for his baby himself is increasing. Many parents therefore have the right to home-cooked food but not the time.

### 3.2.3 Analysis of competitors

There are some very established companies in the baby food industry. A very traditional company which takes the role of the market leader in the German-speaking region. In addition to the large supplier, there are some own brands of retailers and some small rather young companies. Here is a list of the competitor labels and their Keypoints, products and USP's

#### 3.2.3.1 Baby food labels:

- HIPP
  - Traditional, organic, sustainability
  - full assortment; Powdered milk, baby food, snacks for children
  - Premium very trusted manufacturer of Babyfood sold in all drugstores and retailers
- Yamo
  - fresh organic
  - fruits and vegetables in Cups and Pouches , organic
  - primary sold throughout an onlineshop
- Fruchtbar
  - healthy nutrition, sustainability, organic
  - Fruitpouches, Breakfast cereals, cereal bars, sauces and pasta to cook yourself
  - Sold in an online shop, at retailers and drugstores
- Erdbär Freche Freunde
  - healthy nutrition, organic
  - fruits in pouches, porridge, snacks for babies and children

Sold in an online shop, at retailers and drugstores

- Bebivita

Low Price

Powdered milk, fruits in Jars and Pouches, Menus in Jars

- a. Aptamil Milupa Danone

Traditional, consumer service, organic

Powdered milk, porridge, snacks for babies and children, fruits in pouches

sold in most drugstores and retailers

- Nestle Beba

Safety

Powdered milk

sold in most drugstores and retailers

- Nestle Alete

Awareness, organics

Menus, fruits and vegetables in jars, Milk and cereal porridges, Cookies, Snacks

sold in most drugstores and retailers

- Holle

Organics, quality

fruits in pouches, porridge, snacks for babies and children

Sold at retailers and drugstores

- Himmeltau
  - Low price, regional
  - porridge
  - Sold at retailers and drugstores
- Löwenzahnorganics
  - Organics, transparency
  - Milk powder and porridges
  - Sold in an online shop
- Alnatura
  - Sustainable, organic
  - Porridges, fruits in Jars, Snacks
  - Sold at retailers and drugstores

### 3.2.3.2 brands of retailers:

- DM Bio
  - Organic low price
  - Milk powder, Porridges, fruits in Jars, Snacks
  - Sold at retailers and drugstores
- Zurück zum Ursprung Hofer
  - Sustainable, regional, organic
  - fruits in pouches and jars, milk powder

### 3.2.4 Close competitors

Let's dig deeper into this analysis by having a closer look on the competitors which are situated in the core business of our venture. Our business is focused on complementary baby food, which means fruits and vegetables. So, we use a Graphic form to give an overview about this area.



### 3.2.5 Market Analysis

Company	Traditional	Regional	Organic	Sustainability	Healthy nutrition	Fresh	Consumer focus	On the go	Sustainable packaging	Baby let weaning	Online Retail Focus	Offline Retail Focus	Premium Price	Standard Price	Low Price	Fruits	Vegetables	Ready to eat menus	Cups	Jars	Pouches	Breakfast	Porridge	Snacks for children	Powdered milk
Hipp	X		X	X	X			X	X			X		X		X	X	X	X	X	X	X	X	X	X
Yamo			X			X		X			X		X			X	X		X		X				
Fruchtbar			X	X	X			X	X		X	X		X		X						X		X	
Erdbär			X		X			X			X	X		X		X					X		X	X	
Bebivita								X				X			X	X	X	X	X	X	X		X	X	X
Danone	X		X				X					X		X		X							X	X	X
Alete			X									X		X		X	X	X		X			X	X	X
Holle			X	X				X				X		X		X					X		X	X	
	2	1	10	5	3	1	1	7	2	0	3	10	1	8	2	11	6	5	3	5	5	2	8	9	6

Table 1: Market Analysis

### 3.2.6 Competitor skills and possible USP's

- Regional

only one Supplier has focused his marketing on local sourcing (Hofer zurück zum Ursprung). Highlighting local sourcing could be an effective USP.

- Organic

Almost every supplier is organic. Organic quality is kind of a baseline in Babyfood. Organic is in this branch absolutely necessary.

- Healthy nutrition

HiPP Yamo and Fruchtbar highlight Healthy nutrition in their marketing.

- Freshness

only one Supplier has focused his marketing on freshness (Yamo). Highlighting freshness could be an effective USP.

- Consumer Focus

only one Supplier has focused his marketing on consumer Focus

(Danone Milupa) Highlighting consumer focus could be an effective USP.

- On the go

the supply in this sector is good, most of the supplier has on the go products

- Sustainable Packaging

Sustainable Packaging is for the moment a very critical topic, thanks to the Fridays for future movement, plastic is to avoid. Best practice solution would be a reusable packaging, this will be one of our most outstanding USP's because we would be first in the market.

- Baby let weaning

There are no suitable products for this category this will be also one of our most outstanding USP's because we would be first in the market.

- Online Retail

There are only three player which focus an the online business, which is a quite low amount compared to other businesses. Could be quite interesting to focus on it but not as a major USP. Possibly a "fast delivery" service, for little emergencies could be interesting in the future.

- Premium Pricing

only one Supplier has done his pricing at the upper level (Yamo). Premium pricing could be easily possible with realizing outstanding USP's.

- Fruits

Almost every supplier offers fruits. Yes they are simly tasty, specally for little humans, but it would be hard to realize a major USP because of the broad offer.

- Ready to eat menus and vegetables

There are also lots of products including ready to eat menus and vegetables available available. App. 50% of the suppliers of them, this is why we focus more on them as on fruits.

It would be also hard to realize a major USP.

- Other Categories

The majority of manufacturers offer Porridges, milk powder and snacks for Babies and Children. There are only two which focus on Breakfast. Highlighting breakfast menus could be an effective USP.

## 4 Empirical part

### 4.1 Consumer insights

It is addressed here how Design Thinking methodologies such as customer interviews are utilized to find consumer pain points. These interviews, as well as the "Consumer Pain Points," illustrate consumer habits and criteria that have not been addressed successfully.

#### 4.1.1 Consumer interviews

##### 4.1.1.1 Guide for the interviews

###### b. Open General

Explanation of the purpose of the interview

How are your children/children doing?

How old are they?

What is going on teeth, sleeping?

How are you doing with food?

When and how do you eat?

Where are baby items generally purchased? Amazon, retail?

Where is baby food purchased?

Who does the shopping?

c. Then go deep

What is important to you in baby food?

What is the maximum age of baby food?

Do you let your child eat with his or her own fingers from time to time?

What is important to you about the packaging?

Would it be more important to you that baby food is produced professionally in large quantities, including full safety through quality assurance, or would you prefer it if there was a small organic manufacturer in your city/town?

Would you like to create your baby's menu yourself or would you prefer an age-appropriate diet plan that a nutritionist with your input would prefer?

What is your understanding of fresh baby food?

Is it important to you that baby food is particularly cheap?

What bothers you most about the current range of baby food?

What do you dislike?

#### 4.1.2 Transcripts of the interviews

Four interviews were conducted with four potential consumers who fit into the target category. In terms of life circumstances, age, household income, and purchasing habits. The complete transcripts can be accessed in the appendix.

#### 4.1.3 Evaluation of the interviews with Design Thinking tools

##### 4.1.3.1 Identifying pain points

Simply defined, pain points are problems. They are the thorns in the customer's side on a regular basis, and they can range from minor annoyances to major, complex issues. However, pain points are also possibilities since they reveal exactly what your customer requires.

The identified pain points from the conducted interviews are listed in the table below.

Inspiration
-------------

Insights - Pain Points
We started with piece feedings and not with a porridge at all. He didn't pull well at all. Then I started to puree the things anyway. Now we do a mixture, he gets some things in his hand and some things as porridge
What is important to you in terms of packaging? If I can return it to the recycling cycle, i.e. glass and metal, then it fits wonderfully. You don't really have anything else anyway. The cartons. I wouldn't buy baby food in a plastic jar.
What is important to you about the packaging? That not too much plastic is used. Rather glasses than plastic packaging. Or recyclable material is used. Like cardboard, or the packaging is reused. Why not plastic? Plastic is just garbage. Plastic is not disappearing,
Regional is important for me and small companies should be supported and challenged.
OK, and when you're standing in front of the shelf, it's not so critical whether the jar costs 10 cents more or less? No, if they can convince me on the packaging that the quality and the product are right. And on the other hand that it was not shipped across an entire continent in individual parts.
Or would you prefer it if there was such an organic factory in your small town that produced baby food in smaller quantities and on a smaller scale? If there were an offer, I would certainly go for it, to be honest.
Or would you rather be able to buy baby food now in Weisskirchen, from a small organic manufacturer? I would say rather at a small store. That I know. Regional, that would be important to me. Trust.
Would it be more important to you, baby food professionally in large quantities, with the whole process of quality assurance behind it. Or would you prefer to buy from a small organic manufacturer in your town that produces baby food? I think I would have more confidence in a smaller one, or one that has to earn its reputation and can afford less.
Glass jars are optimal. You can put them in the fridge to chill if the baby doesn't eat the meal and reheat it later in the jar. No packaging waste. So it is important to you to produce little waste or to reuse it? Yes, that would be optimal.
Could you imagine using a reusable jar? That are a little more massive, get cleaned again, and get refilled? Yes. I even tried once to put my own things then in the Hipp jars. But they weren't preserved and I didn't dare for fear that they might shatter.

<p>Would already like to get tips on nutrition. Maybe not only age appropriate but also tailored to my daughter's preferences.</p>
<p>Little kids are not always very patient. Especially when they are hungry or see the food or maybe even smell it. It's not always so easy.</p>
<p>Because it's actually faster. Because fresh cooking is very time-consuming. You open the jar and he eats it.</p>
<p>It worked relatively smoothly, unless she was sick or had teething problems.</p>
<p>It was important to me that food was a family story from the beginning, and when you eat you don't do anything else. For example, I behaved in an insanely disciplined way when my daughter ate, and then my cell phone was gone. At the dinner table really only eat. What we have already done, she has had her choice on the plate but what else we have not given her then if she did not want that. I didn't go to the kitchen 3 more times and get her something else</p>
<p>Does that also apply to baby food? Yes, I would never order online.</p>
<p>In the very beginning I bought 15 different kinds of vegetables in the store. All steamed and pureed and frozen individually. That it simply times a taste experience for all individuals has. I have already noticed that, you can buy a few varieties for individual vegetables, but the choice is limited.</p>
<p>To taste it through once. Since I find the selection of small jars too little, like only pure carrot. That was limited to some extent. There I must also say, that would be practical if there were more choice</p>
<p>Yes, he doesn't like vegetables at all</p>
<p>How is Leo doing with food? Once better, once worse. He is not a big eater, let's say.</p>
<p>I don't like the oversupply of online shopping, it seems attractive that you can look at everything but am overwhelmed. In the store I have my choice 3-5 things and that fits.</p>
<p>But I find it regrettable that you as a consumer, at least in a classic supermarket, almost always decide whether organic or regional. Regional I mean now really not only Austria. For example, Slovakia, Hungary or the Czech Republic is also regional for me.</p>
<p>You can buy a lot of diapers and baby stuff on the Internet, but there's not really an offer for baby food.</p>

<p>Since we still have our big one Elisabeth who also wants to be taken care of, it's great when Maria becomes independent early. It's easier and she likes to eat with her hands and alone. We have read a study that speaks in favor of this. We just decided that she eats sticks and a lot of chopped fruit and vegetables.</p>
<p>She just ate what we ate, but prepared differently for her. But of course she was allowed to eat it with her fingers, then she tried it with a spoon. She was allowed to taste it.</p>
<p>Can you imagine buying fresh baby food at the store? You mean freshly poured into a cup? I do then, yes. But would I expect in the refrigerator not on the shelf.</p>
<p>What is important to you in general when it comes to baby food? Fresh food and of course freshly prepared. OK, so these ready meals as they are offered are rather nothing for you?</p>
<p>What would you consider fresh baby food? Phew, I don't know what you can still declare as fresh from the shelf life? I myself have it now for a maximum of 2 days. Is for me my limit. Then too old, then he no longer gets it when I cook. But if you now in a different environment, the sterile prepared. Then you probably have 4-5 days, but quite more is then also no longer fresh.</p>
<p>Since I buy very little but have certainly tried it is difficult, but maybe the taste. The menus or jars do not taste so good would not want to eat them myself therefore I do not like to give them to my children. It is important to you that it tastes good and that it is made from fresh food. That's why you prefer to cook yourself. Then it smells and tastes better, cooking it yourself is better.</p>
<p>Because when I was little, we got a lot of Hipp jars from a representative. But I have not eaten them because they have not tasted good to me. Hence the dislike. Rather not so for the ready-made food.</p>
<p>I'm not really an online shopper. I really only resort to online shopping when there is no other option. Purely for economic reasons, I'm not interested in all the money going to Amazon and the like</p>
<p>Actually, the ingredients were important to me. That there are not any additives. That it is really natural. That the quality is right. For example, with fruit jars, that there is not an apple juice, or added sugar or concentrates.</p>
<p>Possibly low in pollutants, especially in the 1 year of life. Where the development, the biggest growth takes place.</p>

Table 2: Identifying pain points



## 4.2 Opportunity assessment plan

This chapter develops ideas and concepts for consumer solutions based on challenges identified during an opportunity assessment plan. To establish a strong unique selling proposition, typical opportunity assessment plan questions are utilized to flesh out the concepts and further separate them from existing solutions.

### 4.2.1 Development of ideas and concepts for consumer solutions

- From insights to criteria for a refined challenge by asking "How Might We?" questions

As described in the chapter "Design Thinking tools" forming How Might We questions creates the possibility to come up with creative ideas and helps to better understand the real consumer need.

Subsequently, a "How Might We question" was formulated for each "pain point". Some Pain points occurred in multiple interviews or in multiple variations in one interview. These multiple statements were summarized in one "How Might We question". This ensures that all aspects are taken into account but that a focused solution can still be found

Inspiration	Ideation
Insights - Pain Points	How Might We.. Questions

<p>We started with piece feedings and not with a porridge at all. He didn't pull well at all. Then I started to puree the things anyway. Now we do a mixture, he gets some things in his hand and some things as porridge</p>	<p>How can we offer the flexibility to offer pieces, puree and a mixture of both?</p>
<p>What is important to you in terms of packaging? If I can return it to the recycling cycle, i.e. glass and metal, then it fits wonderfully. You don't really have anything else anyway. The cartons. I wouldn't buy baby food in a plastic jar.</p>	<p>How Might We avoid waste that can not be recycled?</p>
<p>What is important to you about the packaging? That not too much plastic is used. Rather glasses than plastic packaging. Or recyclable material is used. Like cardboard, or the packaging is reused. Why not plastic? Plastic is just garbage. Plastic is not disappearing,</p>	
<p>Regional is important for me and small companies should be supported and challenged.</p>	<p>How Might We create a regional, high quality and small company image?</p>

<p>OK, and when you're standing in front of the shelf, it's not so critical whether the jar costs 10 cents more or less? No, if they can convince me on the packaging that the quality and the product are right. And on the other hand that it was not shipped across an entire continent in individual parts.</p>	
<p>Or would you prefer it if there was such an organic factory in your small town that produced baby food in smaller quantities and on a smaller scale? If there were an offer, I would certainly go for it, to be honest.</p>	
<p>Or would you rather be able to buy baby food now in Weisskirchen, from a small organic manufacturer? I would say rather at a small store. That I know. Regional, that would be important to me. Trust.</p>	
<p>Would it be more important to you, baby food professionally in large quantities, with the whole process of quality assurance behind it. Or would you prefer to buy from a small organic manufacturer in your town that produces baby food? I think I would have more confidence in a smaller one, or one that has to earn its reputation and can afford less.</p>	
<p>Glass jars are optimal. You can put them in the fridge to chill if the baby doesn't eat the meal and reheat it later in the jar. No packaging waste. So it is important to you to produce little waste or to reuse it? Yes, that would be optimal.</p>	<p>How Might We create reusable packaging?</p>

<p>Could you imagine using a reusable jar? That are a little more massive, get cleaned again, and get refilled? Yes. I even tried once to put my own things then in the Hipp jars. But they weren't preserved and I didn't dare for fear that they might shatter.</p>	
<p>Would already like to get tips on nutrition. Maybe not only age appropriate but also tailored to my daughter's preferences.</p>	<p>How Might We give tailored tips on nutrition?</p>
<p>Little kids are not always very patient. Especially when they are hungry or see the food or maybe even smell it. It's not always so easy.</p>	<p>How Might We help prepare a fresh meal very quick?</p>
<p>Because it's actually faster. Because fresh cooking is very time-consuming. You open the jar and he eats it.</p>	
<p>It worked relatively smoothly, unless she was sick or had teething problems.</p>	<p>How Might We help with feeding when the Baby is sick?</p>
<p>It was important to me that food was a family story from the beginning, and when you eat you don't do anything else. For example, I behaved in an insanely disciplined way when my daughter ate, and then my cell phone was gone. At the dinner table really only eat. What we have already done, she has had her choice on the plate but what else we have not given her then if she did not want that. I didn't go to the kitchen 3 more times and get her something else</p>	<p>How Might We make eating a family story?</p>

<p>Does that also apply to baby food? Yes, I would never order online.</p>	<p>How Might We make it attractive to order food online?</p>
<p>You can buy a lot of diapers and baby stuff on the Internet, but there's not really an offer for baby food.</p>	<p>How Might We offer Baby food online?</p>
<p>In the very beginning I bought 15 different kinds of vegetables in the store. All steamed and pureed and frozen individually. That it simply times a taste experience for all individuals has. I have already noticed that, you can buy a few varieties for individual vegetables, but the choice is limited.</p>	<p>How Might We make the baby love a variety of vegetable's?</p>
<p>To taste it through once. Since I find the selection of small jars too little, like only pure carrot. That was limited to some extent. There I must also say, that would be practical if there were more choice</p>	
<p>Yes, he doesn't like vegetables at all</p>	
<p>How is Leo doing with food? Once better, once worse. He is not a big eater, let's say.</p>	<p>How Might We make the baby love eating?</p>
<p>I don't like the oversupply of online shopping, it seems attractive that you can look at everything but am overwhelmed. In the store I have my choice 3-5 things and that fits.</p>	<p>How Might We make the menu plan creation easy for the parents?</p>

<p>But I find it regrettable that you as a consumer, at least in a classic supermarket, almost always decide whether organic or regional. Regional I mean now really not only Austria. For example, Slovakia, Hungary or the Czech Republic is also regional for me.</p>	<p>How Might We offer and regional and organic products?</p>
<p>Since we still have our big one Elisabeth who also wants to be taken care of, it's great when Maria becomes independent early. It's easier and she likes to eat with her hands and alone. We have read a study that speaks in favor of this. We just decided that she eats sticks and a lot of chopped fruit and vegetables.</p>	<p>How Might We offer food that can be consumed by Babies without help?</p>
<p>She just ate what we ate, but prepared differently for her. But of course she was allowed to eat it with her fingers, then she tried it with a spoon. She was allowed to taste it.</p>	
<p>Can you imagine buying fresh baby food at the store? You mean freshly poured into a cup? I do then, yes. But would I expect in the refrigerator not on the shelf.</p>	<p>How Might We offer fresh good smelling and tasting food?</p>
<p>What is important to you in general when it comes to baby food? Fresh food and of course freshly prepared. OK, so these ready meals as they are offered are rather nothing for you?</p>	

<p>What would you consider fresh baby food? Phew, I don't know what you can still declare as fresh from the shelf life? I myself have it now for a maximum of 2 days. Is for me my limit. Then too old, then he no longer gets it when I cook. But if you now in a different environment, the sterile prepared. Then you probably have 4-5 days, but quite more is then also no longer fresh.</p>	
<p>Since I buy very little but have certainly tried it is difficult, but maybe the taste. The menus or jars do not taste so good would not want to eat them myself therefore I do not like to give them to my children. It is important to you that it tastes good and that it is made from fresh food. That's why you prefer to cook yourself. Then it smells and tastes better, cooking it yourself is better.</p>	
<p>Because when I was little, we got a lot of Hipp jars from a representative. But I have not eaten them because they have not tasted good to me. Hence the dislike. Rather not so for the ready-made food.</p>	
<p>I'm not really an online shopper. I really only resort to online shopping when there is no other option. Purely for economic reasons, I'm not interested in all the money going to Amazon and the like</p>	<p>How Might We offer regional Babyfood?</p>
<p>Actually, the ingredients were important to me. That there are not any additives. That it is really natural. That the quality is right. For example, with fruit jars, that there is not an apple juice, or added sugar or concentrates.</p>	<p>How Might We use the best ingredients?</p>

Possibly low in pollutants, especially in the 1 year of life. Where the development, the biggest growth takes place.	
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Table 3: From insights to criteria by asking "How Might We?" questions



## 4.2.2 Defining consumer solutions

Based on the "How Might We Questions" concepts were developed, which are integrated into the business plan to fulfill the consumer needs. These concepts form the core of the business concept's content structure and create unique selling propositions.

Ideation	Implementation
How Might We.. Questions	Concepts to implement in the Businessplan
How can we offer the flexibility to offer pieces, puree and a mixture of both?	The food is divided into baby-sized portions, so that the child can easily grasp it. The food is also great to mash it with a fork or simply puree it yourself - this is optimal when the hunger is already very big (we know that too).
How Might We avoid waste that can not be recycled?	Reusable Packaging We really care about our environment. That is why we are the first which are using a reusable packaging for our products. Not only the box in which you receive the food is reusable also the premium glass container allow us to use the same Glas, of course only for your Child, over and over again.

<p>How Might We create a regional, high quality and small company image?</p>	<p>Due to the venture's focus on fresh preparation and prompt delivery, the company is launched in one mayor city, we choose vienna. The kitchen is located in vienna and delivery takes place in the greater vienna area. The food is always prepared in small not industrial kitchens in the city where it is delivered to. This will be highlighted in the marketing campanie.</p>
<p>How Might We create reusable packaging?</p>	<p>Reusable Packaging We really care about our environment. That is why we are the first which are using a reusable packaging for our products. Not only the box in which you receive the food is reusable also the premium glass container allow us to use the same jar, of course only for your Child, over and over again.</p>
<p>How Might We give tailored tips on nutrition?</p>	<p>We deliver our products in a rotating menu of breakfast, lunch, and/or dinner meals, expertly chosen based on ingredient preferences. So based on the ingredient preferences chosen by the parents nutrition experts create tailored menu plans.</p>
<p>How Might We help prepare a fresh meal very quick?</p>	<p>We offer fresh finger-friendly organic meals for tiny humans. For our products we use high quality organic ingredients, and we prepare them fresh and deliver it directly to your home. (You make them in minutes)</p>
<p>How Might We help with feeding when the Baby is sick?</p>	<p>We offer an SMS Hotline for non-judgemental support</p>

<p>How Might We make eating a family story?</p>	<p>We love it when the children sit at the family table and can eat with the family - age-appropriate ingredients prepared baby-friendly. For that reason, the food is not pureed, but divided into baby-sized portions, so that the child can easily grasp it. They are allowed to play with the food and explore it with all their senses, even if not everything ends up in their mouths at first - don't worry, that will happen quickly enough.</p>
<p>How Might We make it attractive to order food online?</p>	<p>Easy registration and payment: You can easily sign up on our homepage for our real food for tiny humans. Just tell us if you like five or ten menus per week and you tell us also your ingredient preferences and we go to work.</p>
<p>How Might We make the baby love a variety of vegetable's?</p>	<p>For that reason, the food is not pureed, but divided into baby-sized portions, so that the child can easily grasp it. They are allowed to play with the food and explore it with all their senses, even if not everything ends up in their mouths at first - don't worry, that will happen quickly enough. At first, the focus is only on the curiosity and the fun of it all.</p>
<p>How Might We make the menu plan creation easy for the parents?</p>	<p>We deliver our products in a rotating menu of breakfast, lunch, and/or dinner meals, expertly chosen based on ingredient preferences. So based on the ingredient preferences chosen by the parents nutrition experts create tailored menu plans.</p>

<p>How Might We offer and regional and organic products?</p>	<p>Due to the venture's focus on fresh preparation and prompt delivery, the company is launched in one mayor city, we choose vienna. The kitchen is located in vienna and delivery takes place in the greater vienna area. The food is always prepared in small not industrial kitchens in the city where it is delivered to. This will be highlighted in the marketing campanie.</p>
<p>How Might We offer food that can be consumed by Babies without help?</p>	<p>For that reason, the food is not pureed, but divided into baby-sized portions, so that the child can easily grasp it. They are allowed to play with the food and explore it with all their senses, even if not everything ends up in their mouths at first - don't worry, that will happen quickly enough. At first, the focus is only on the curiosity and the fun of it all.</p>
<p>How Might We offer fresh good smelling and tasting food?</p>	<p>Due to the venture's focus on fresh preparation and prompt delivery, the company is launched in one mayor city, we choose vienna. The Parents are asked to keep the menus in their fridges to keep them fresh for one week. The food is maximum 6 days old when it is eaten, that and the fresh ingredients guarantee a excellent taste.</p>
<p>How Might We offer regional Babyfood?</p>	<p>Due to the venture's focus on fresh preparation and prompt delivery, the company is launched in one mayor city, we choose vienna. The kitchen is located in vienna and delivery takes place in the greater vienna area. The food is always prepared in small not industrial kitchens in the city where it is delivered to. This will be highlighted in the marketing campanie.</p>

How Might We use the best ingredients?	The raw materials are procured by the restaurants, which prepare the meals, in consultation with RealBaby. Only well established organic restraunts are chosen for a partnership.
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Table 4: Defining consumer solutions

### 4.3 Creating a Stakeholder Pitch

Below you will find content that has been designed specifically to give a good foundation for a pitch. To pique curiosity, a one-sentence pitch such as "REALBABY is the first fresh home-made style Babyfood label in the World." can suffice. To a much more detailed version for possible investors. The creation of the material assisted in refocusing on subjects that may be important to customers and provided an opportunity to challenge it again in a completely different approach.

Pitch content:

THE BEST BABY FOOD ISN'T BABY FOOD

REAL FOOD FOR TINY HUMANS

**Real Baby**

Real Food..

Real Freshness..

Real Nutrition..

Real Love!

REALBABY is the first fresh homemade style Babyfood label in the World. We provide our consumers with fresh Babyfood which is produced right before we deliver it. It comes the most sustainable packaging – Every customer gets his individual Set of Babyglas which we can use for you over and over again. Which we only steam cook to best protect the flavor and nutrients. Much better than you can expect from industrial baby food from the grocery store.

We do not like ready-made meals and canned food

- especially not for our children!

Our venture will be located in the babyfood sector. There are currently some very strong developments in this branch in terms of consumer needs. The most important ones are: Freshness, Organic, On the go, Sustainable packaging, Online shopping and cook it yourself.

A significant share of these consumer needs are not satisfactorily met by the current offers.

We provide fresh finger-friendly organic meals for tiny humans

Which is perfectly targeting significant consumer needs and provides an unique and outstanding position in the market.

Our main customer group are millennial mothers with an above-average household income, who are having a strong interest in food and conscious nutrition, pay attention to a balanced diet themselves, are partly vegan or vegetarian, are active on social media such as Instagram, Facebook, and like to try something new. They also prefer to feed their beloved ones no ready-made meals.

We help parents to offer their beloved ones freshly cooked meals

We believe in a balanced diet as the basis for a good start in life. We ourselves are parents of two daughters and we had the claim to offer as often as possible freshly cooked meals, in our everyday life we have found that sometimes the time is missing.

We know exactly how it feels to be parents and we want to make this hard job a little bit easier for other parents.

## 4.4 Visualizing the concept in a Business Modell Canvas

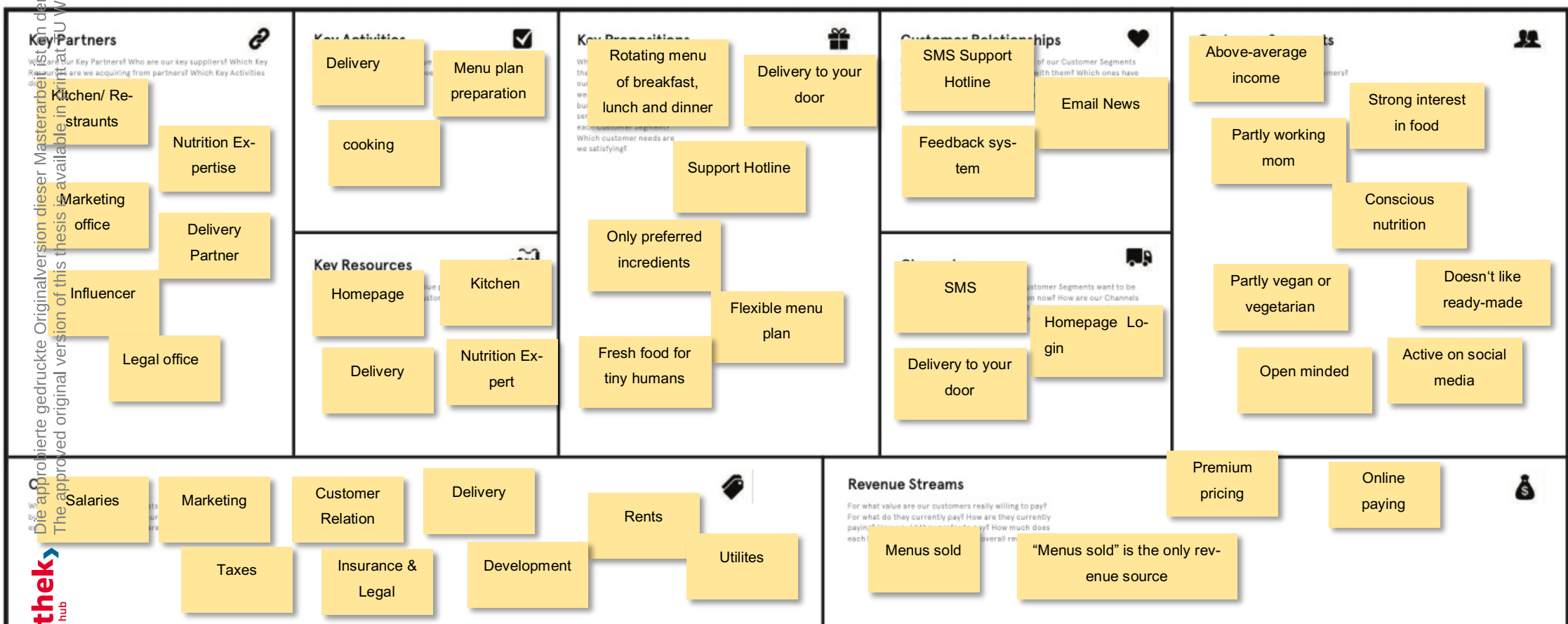


Table 5: Business Modell Canvas



## 4.5 Reflection on the effectiveness of the applied tools

A very consumer-oriented approach was taken with the management methods and strategies used. Interviews, for example, were quite effective in producing meaningful customer insights using Design Thinking tools. This strategy, in conjunction with the transformation technique of "How Might We" inquiries, was extremely beneficial in the development of our business concept. This enabled us to develop entirely new solutions that were really advantageous to the consumer. Following strategies, such as the Business Model Canvas, have proved quite effective in repeatedly testing the notion, looking at it from different perspectives, and significantly improving it.

One of the most important success criteria is to maximize customer orientation, as the industry shifts from a technology-push driven to a market-pull focused market. Only through customer-centric solutions can products with meaningful new attributes for the consumer be generated.

The insights gathered from interviews and rendered useable through transformation were compared to the market's existing offerings and goods. Areas where we were able to discover particularly pronounced pain spots and where the offer was not yet as abundant were placed in the focus of our idea work, and solution proposals were particularly intensely illuminated in these areas. The domains of sustainable packaging, BLW, regional, and freshness were particularly notable in terms of the intersections between pain concerns and missing offers. As a result, we recognized particularly potential opportunities in these domains and centered our business model on these four characteristics.

## 5 Business plan

In the form of a business strategy, this section of the appendix almost summarizes the conclusions from the preceding chapters. The business plan is specifically designed for a startup based in Vienna with a defined expansion strategy into other cities, countries, and regions. The following sections comprise the business plan: a description of the endeavor, a production strategy, an operations plan, a marketing plan, an organizational plan, a risk assessment, and a finance plan.

## 5.1 Description of the venture

THE BEST BABY FOOD ISN'T BABY FOOD

REAL FOOD FOR TINY HUMANS



Image 7: Reference Menu (Yamo, 2020)

Real Baby GmbH

Wichtelgasse 44

1160 Wien

Real Baby

Real Food..

Real Freshness..

Real Nutrition..

Real Love!

### 5.1.1 Names and addresses of principals

Veronika Kappa	Ethan Kappa
<a href="mailto:veronika@RealBaby.at">veronika@RealBaby.at</a>	<a href="mailto:ethan@RealBaby.at">ethan@RealBaby.at</a>
+4366435597534	+4366435597535
Wichtelgasse 45	Wichtelgasse 45
1160 Wien	1160 Wien
 <a href="http://www.RealBaby.at">www.RealBaby.at</a>	

### 5.1.2 Nature of Business

REALBABY is the first fresh homemade style Babyfood label in the World. We provide our consumers with fresh Babyfood which is produced right before we deliver it. It comes the most sustainable packaging – Every customer gets his individual Set of Babyglas which we can use for you over and over again. Which we only steam cook to best protect the flavor and nutrients. Much better than you can expect from industrial baby food from the grocery store.

### 5.1.3 Statement of financing needed

For an investment of 30.000 we would provide you with a Company share of 20%.

With this invest we will cover the initial costs for starting up the venture and our initial marketing costs.

### 5.1.4 Business plan non-disclosure Statement

This business plan is subject to a confidentiality agreement. If you proceed reading this document, you agree to terms of the confidentiality statement in the appendix.

## 5.2 Business plan - Executive Summary

We do not like ready-made meals and canned food  
- especially not for our children!

Our venture will be located in the babyfood sector. There are currently some very strong developments in this branch in terms of consumer needs. The most important ones are: Freshness, Organic, On the go, Sustainable packaging, Online shopping and cook it yourself.

A significant share of these consumer needs are not satisfactorily met by the current offers.

We provide fresh finger-friendly organic meals for tiny humans

Which is perfectly targeting significant consumer needs and provides an unique and outstanding position in the market.

Our main customer group are millennial mothers with an above-average household income, who are having a strong interest in food and conscious nutrition, pay attention to a balanced diet themselves, are partly vegan or vegetarian, are active on social media such as Instagram, Facebook, and like to try something new. They also prefer to feed their beloved ones no ready-made meals.

We help parents to offer their beloved ones freshly cooked meals

We believe in a balanced diet as the basis for a good start in life. We ourselves are parents of two daughters and we had the claim to offer as often as possible freshly cooked meals, in our everyday life we have found that sometimes the time is missing.

We know exactly how it feels to be parents and we want to make this hard job a little bit easier for other parents.

Our services include:

- A rotating menu of breakfast, lunch, and/or dinner meals.
- Expertly chosen based on ingredient preferences.
- Flexibility to customize or change plan anytime.
- Our SMS Hotline for non-judgemental support.
- Delivered to your door. No pit stops.

Our main goal is to increase the value of the company with all the activities we carry out. The company and its processes will be solidly implemented and then the business is expanded in a targeted manner.

Due to the venture's focus on fresh preparation and prompt delivery, the company is launched in one mayor city, we choose vienna. The kitchen is located in vienna and delivery takes place in the greater vienna area. After the successful establishment in vienna, the venture will be expanded to another three austrian cities. In step three, expansion into some German cities is planned. The plan is to realize a solid market share in ten different cities in the first five years.

The goal is to have a customer base of at least 3500 customers by the end of the fifth year. This corresponds to a turnover of 2.617.440 € and an gross profit of 752.707 € before taxes. This is achieved through a steady expansion, the constant reduction of the costs per unit sold and an innovative social media marketing.

We completed the development of all the starter menus, and we are in the middle of finalizing the packaging. The next steps will be to set up an homepage and to get legal support on all food related topics. After that we will immediately start business and contract our kitchen partners and the logistics to fully scale up the business.

## 5.3 Mission Statement

We help parents to offer their beloved ones freshly cooked meals.

We believe in a balanced diet as the basis for a good start in life. We ourselves are parents of two daughters and we had the claim to offer as often as possible freshly cooked meals, in our everyday life we have found that sometimes the time is missing.

We do not like ready-made meals and canned food - especially not for our children!

We know exactly how it feels to be parents and we want to make this hard job a little bit easier for other parents.

Our main goal is to increase the value of the company with all the activities we carry out. The company and its processes will be solidly implemented and then the business is expanded in a targeted manner.



## 5.4 Details of the venture

### 5.4.1 Products

The best food isn't Babyfood! It is food for tiny humans.

And that is what we provide. We offer fresh finger-friendly organic meals for tiny humans.

For our products we use high quality organic ingredients and we prepare them fresh and deliver it directly to your home. (You make them in minutes)

fresh

No months of storage in any factories. So your child's food is not older than your child itself

It is only as old as it should be – just a view days.

Finger food (baby let weaning)

We love it when the children sit at the family table and can eat with the family - age-appropriate ingredients prepared baby-friendly. For that reason, the food is not pureed, but divided into baby-sized portions, so that the child can easily grasp it. They are allowed to play with the food and explore it with all their senses, even if not everything ends up in their mouths at first - don't worry, that will happen quickly enough. At first, the focus is only on the curiosity and the fun of it all. The food is also great to mash it with a fork or simply puree it yourself - this is optimal when the hunger is already very big (we know that too).

Reusable Packaging

We really care about our environment. That is why we are the first which are using a reusable packaging for our products. Not only the box in which you receive the food is reusable also the premium glass container allow us to use the same Glas, of course only for your Child, over and over again.

This is how it work. Every tiny human get his own set of Glasses individual Glasses with their name on it. – We love that personal touch.

One half is in your fridge or if it is already empty just put it in your dishwasher and we pick them up with your next delivery. The other half is in our kitchen, first we clean them professionally so that we make sure that the Glas is absolutely perfect for the next menu (Our scientific

partner helps us to provide absolute safety) and then just before we deliver it to you we put in the fresh cook food.

We love that closed loop. It is way better than a lot of plastic or single use glass.

#### 5.4.2 Our services include:

- A rotating menu of breakfast, lunch, and/or dinner meals.
- Expertly chosen based on ingredient preferences.
- Flexibility to customize or change plan anytime.
- Our SMS Hotline for non-judgemental support.
- Delivered to your door. No pit stops.

You can easily sign up on our homepage for our real food for tiny humans. Just tell us if you like five or ten menus per week and you tell us also your ingredient preferences and we go to work. We choose meals designed to meet your tiny human's nutritional and developmental needs.

Membership includes also help. Nutrition question? Text us. Feeding advice? Text us. Need to skip a delivery? Text us? Need a pep talk? Text us. Seriously. Our goal is to be the most consumer-focused food company for tiny humans. That's why we love to stay in contact with you.

#### 5.4.3 Stage of development

We completed the development of all the starter menus, and we are in the middle of finalizing the packaging. The next steps would be to set up an homepage and to get legal support on all food related topics. After that we will immediately start business and contract our kitchen partners and the logistics to fully scale up the business.

#### 5.4.4 Size of business

Due to the venture's focus on fresh preparation and prompt delivery, the company is launched in one mayor city, we choose vienna. The kitchen is located in vienna and delivery takes place in the greater vienna area. After the successful establishment in vienna, the venture will be expanded to another three austrian cities. In step three, expansion into some German cities is planned. The plan is to realize a solid market share in ten different cities in the first five years.

#### 5.4.5 Office equipment and personnel

There will be one head office where all the which is basically a conference room with a kitchen for trial cookings to create new recepies. The personnel will be equipped with laptops so that they can do most of their work in home office when they are not in the head office. Please find detailed information, especially on the costs for equipment and personnel in the section financial plan.

Further on the cooking will be sourced to a kitchen partner which will produce the fresh menu in his restaurant kitchen. The delivery will be also outsourced after the initial phase.

Role	Initial Phase	regular operations
Nutritionist	service on an hourly basis	service on an hourly basis
Marketing social media		permanent employee
Consumer relations expert		permanent employee
Purchasing	carried out by the entrepreneurs	Entrepreneurs/ out-sourced
Cooking		outsourced
Delivery		permanent employee

Table 6: Businessplan Roles

## 5.4.6 Consumer Profiles

### “RealBaby” Consumers

Householders with above-average income, mother at home or working, strong interest in food conscious nutrition, pay attention to a balanced diet themselves, partly vegan or vegetarian, active on social media such as Instagram, Facebook, open to new things, like to try something new, would like to offer home-cooked food (bit do not always have the time), no ready-made meals,

### Consumers which will prefer the competitors

Low and average income place high value on quick and ready meals. Lower price, prefer traditional brands

## 5.4.7 Background of entrepreneurs

Experience of the entrepreneurs:

Veronika

Is a microbiologist and has about 10 years of professional experience in quality assurance and microbiology. She worked for a baby food manufacturer as well as for a control institute in the food industry. Besides her professional qualification she also has leadership experience from her last jobs.

Ethan

Has been working in FMCG for 12 years in the innovation area and is specialized in project management in manufacturing companies as well as product management. He also has significant experience in the Babyfood sector.

Experience needed

Nutrition Expertise

Experience in operations with commercial kitchens

Shipping of packages in urban areas

Legal framework in baby food

Entrepreneurship

Design and Marketing

Sales e-commerce Production Plan

## 5.5 Production plan

In the Initial Phase the production will be carried out from the head office kitchen.

It is possible to realize a production for up to 100 costumers. After that a external partner will Carry out the production. The key factors for our kitchen partners are: experience in sourcing and handling organic food and also a suitable steam cooking equipment is necessary.

### 5.5.1 External Partners

For the external production we have three possible partners:

Bio Frische Restraurant

Adresse: Lazaristengasse 2, 1180 Wien

Telefon: 01 9529215

Menü: biofrische.wien

Naturkost St.Josef

Adresse: Zollergasse 26, 1070 Wien

Telefon: 01 5266818

Bioparadies

Adresse: Altgasse 23A, 1130 Wien

Telefon: 0699 10476273

All three restaurants would be suitable based on experience and equipment. A long-term partnership is targeted.

Organization

The menu plans and the preparation instructions as well as the reusable glasses and shipping boxes are provided by RealBaby.

The raw materials are procured by the restaurants in consultation with RealBaby.



## 5.5.2 Preparation

Each dish has its individual preparation. However, it always follows a similar scheme:

- 5.5.2.1 The raw materials are chopped uncooked and weighed out.
- 5.5.2.2 The "raw" portinated raw materials are put into the reusable jar
- 5.5.2.3 The reusable jars with contents are cooked in the steamer unsealed
- 5.5.2.4 The jars are sealed with the sterilized caps
- 5.5.2.5 The jars are cooled and placed in the transport boxes

## 5.5.3 Equipment

A professional kitchen

Equipment to prepare vegetables and fruits

Industrial steamer

## 5.5.4 raw materials & cooking – external

A flat rate of €1.5 per 150g menu was agreed with the restaurants. Consumers rate each order (5 or 10 menus), with a 5-star rating the kitchens receive a bonus of 1€ (or 2€) per order

Production Costs	€/meal	€/5 meals	€/10 meals
raw materials & cooking	1,40	7,00	14,00
5-Star Rating Bonus (80%)	0,16	0,80	1,60
Reusable premium Glas (6 times)	0,08	0,40	0,80
Reusable transport box (6 times)	0,03	1,00	2,00
<b>variable costs</b>	<b>1,67</b>	<b>9,20</b>	<b>18,40</b>

Table 7: Production Costs

### 5.5.5 Raw materials & cooking – internal

The fresh raw materials such as vegetables are sourced locally in organic shops just before they were used in our cooking process. Of course, shelf stable ingredients like rice or corn are bought in bigger amounts and kept in shelf to reduce the costs. Here you can find the some of the ingredients used a price indication and possible sources. This table is not final and needs to be updated by season and with the changing menus. We will keep changing the menus to offer our customers a diverse selection healthy food.

Ingredients	price/kg	average % in recipe
Banana	1,99	34%
Beet	1,99	35%
Black beans	1,99	39%
Bluebeery	1,99	20%
Broccoli	1,99	33%
Butternut Squash	1,99	32%
Carrot	1,99	43%
Coconut milk	1,99	25%
Date	1,99	22%
Green Apple	1,99	36%
Green beans	1,99	20%
Kale	1,99	41%
Mango	1,99	38%
Navy beans	1,99	22%
Nutmeg	1,99	26%
Pear	1,99	39%
Peas	1,99	32%
Raspberry	1,99	26%

Spinach	1,99	33%
Sweet Potato	1,99	20%
Zucchini	1,99	39%
Basil	4,99	13%
Cardamom	4,99	12%
Cauliflower	4,99	25%
Chia Seeds	4,99	15%
Chickpeas	4,99	24%
Cilantro	4,99	15%
Cinnamon	4,99	24%
Cumin	4,99	20%
Flax seeds	4,99	23%
Garlic	4,99	23%
Ginger	4,99	15%
Ground pumpkin seeds	4,99	10%
Hemp Seeds	4,99	16%
Lucuma powder	4,99	21%
Mint	4,99	23%
Red Pepper	4,99	24%
Rosemary	4,99	22%
Sunflower butter	4,99	18%
Tahini	4,99	18%
Turmeric	4,99	17%
White Quinoa	4,99	12%
Avocado Oil	19,99	6%
Coconut Butter	19,99	6%
Olive oil	19,99	6%

Sacha inchi oil	19,99	4%
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<b>average ingredients costs per kg</b>	<b>3,4626069</b>	<b>€/kg menu</b>
average ingredients costs per 200g menu	0,692	€/200g menu

Table 8: Ingredients

### 5.5.6 Delivery

The delivery is done in the initial phase by the entrepreneurs. After that a part time employee will carry out the delivery and the pick-up of the empty used jars. For this delivery a company bus will be used.

## 5.6 Operations plan

### First point of contact

Instagram or Facebook (well-designed posts)  
Google Add

### Homepage

Convenient  
Very professional design  
Compatible with all devices, especially mobile  
Various payment methods

### Order

Customer order menu abos online (1-3 month)  
payable by various e payment possibilities

### If order completed first delivery

first delivery arrives latest 7 days after initial order  
  
information emails before the first order arrives

### If order not completed

information and discount per mail every day

### external production (see production plan)

cooking partner recives order and detailed instructions  
cooking partner is preparing the meal  
Our QA Manager is checking the quality before delivery

### internal production

procurement of ingredients (which are not on stock)  
preparing of the meal  
Our QA Manager is checking the quality before delivery

### Delivery

delivery with the company car  
keep the delivery date and time as constant as possible  
delivery by districts

### Empty Jar handling

pick up of the empty pre cleaned jar with the next delivery  
professionally cleaning the jars  
Check of the empty Jar (identification, quality, etc.)  
delivery of the jars to the production site

## 5.7 Marketing plan,

### 5.7.1 Competitor Analysis

Company	Hipp (HiPP, 2020)	Yamo (Yamo, 2020)	Fruchtbar (FruchtBar, 2020)
Product or service strategie	full assortment safety traditional organic	fruits and vegetables freshness, healthy nutrition, innovation	fruits and vegetables positive relationship to fruits and vegetables, design for children
Pricing strategie	Standard pricing in order to reach up to 80% of the consumers	Premium Pricing Quiz to configure menu, 20% discount using the abo 2,19 one menu per day, 1,99 two menu per day, 1,79 3 menu per day, shipment every two weeks, multi-packs 22 pcs for 43,78	Standard Pricing, sold in single units in stores and in multi-pack at the online shop shipping costs 5 € from 19,99€ free delivery
Distribution strategie	Offline Drugstores and retailer, products sold in single or multi-packs in stores	Online shop	Offline & Online
Promotion strategie	TV, Facebook, Instagram, 55.700 follower promotion pictures, advertising videos, influencer posts every two to three days	TV, Facebook, Instagram, 21.500 followers, promotion pictures, FAQs, healthy nutrient information every day one post	TV, Facebook, Instagram 19.600 Product raffles, promotion pictures, recipes posting app every week
Strengths and weaknesses	well known trusted brand, strong distribution, very traditional brand, slow in Innovation	new technologies, innovation small player, only menus with fruits	well done childish design, strong in offline retail

Table 9: Competitor Analysis

## 5.7.2 Business situation

We are just about to start the venture. We believe in a balanced diet as the basis for a good start in life. We ourselves are parents of two daughters and we had the claim to offer as often as possible freshly cooked meals, in our everyday life we have found that sometimes the time is missing. All other food labels for Babys use ready-made meals and canned food with an enormous shelf life of 14 month plus, we do not like that - especially not for our children! This is why we developed RealBaby we want to provide your Baby with fresh real food, without you spending all your time preparing it. Your Baby learn how to eat with it own hands and can experience it with all of its senses. The best thing is it comes in a reusable packaging which is great for the environment.

## 5.7.3 Defining the target market

Target market

General market: Baby food market

Customer target group

Geographic: Vienna

Demographic: Parents, Women, 25-35 (Babies 6-12 Month) maternity leaf or part-time job, higher education, over average income

Psychographic:

conscious nutrition

strong interest in food conscious nutrition, pay attention to a balanced diet themselves, partly vegan or vegetarian, would like to offer home-cooked food (bit do not always have the time), no ready-made meals if possible,

social media

active on social media such as Instagram, Facebook

open minded

open to new things, like to try something new



places value on appealing design

prefers online shopping

Buying situation

desired benefits: easy online shopping, one time quiz and we take care of the healthy nutrition of your bab

Usage: rate of use 1-2 time per day

Buying conditions: mother is with the baby at home and would like to provide healthy nutrition for a proper Child development

Awareness of buying intentions: the product and the label is new to the customers, building of brand awareness needed

#### 5.7.4 SWOT Analysis

<b>Opportunities</b> <ul style="list-style-type: none"><li>- Rising awareness of healthy nutrition</li><li>- Baby let weaning as a new trend for baby finger food</li><li>- Demand of freshness</li></ul>	<b>Threats</b> <ul style="list-style-type: none"><li>- Well established trusted competitors</li><li>- Market has a strong focus on of-line sales</li><li>- Legal regulations in the babyfood</li></ul>
<b>Strength</b> <ul style="list-style-type: none"><li>- Real fresh food fresh</li><li>- finger-friendly food</li><li>- reusable packaging</li><li>- free home delivery</li><li>- possibility to expand business to other cities</li></ul>	<b>Weaknesses</b> <ul style="list-style-type: none"><li>- No brand awareness</li><li>- User not used to buy babyfood online</li><li>- Limited shelf life</li><li>- Constant Cooling needed</li><li>- High production costs due to no industrial production</li></ul>

Table 10: SWOT Analysis

### 5.7.5 Marketing goals and objectives (2 year goals)

#### Market share

With our price structure, we will target the top 50% of households in terms of household income. A constant market share in this sector of 10% is our target. The whole market in Vienna are 10.000 Babies our targeted age of 6 to 12 month. The targeted share of 10% of the top 40% households correspond to 500 Customers in Vienna.

#### Awareness level

50 % of our focus group is aware about RealBaby

10% knows about their key benefits

1000 Instagram follower

100 Website hits per week

10 newspaper articles

#### Awareness level - measures

SEO homepage which has a clean and professional design

Constant Instagram & Facebook posting (at least 1 post per day)

Corporation with 10 influencer which post constantly (min twice a week)

### 5.7.6 Marketing goals and objectives (5 year goals)

#### Market share

After five years a rollout to 10 cities has been realized. The whole market in these cities is about are 60.000 Babies our targeted age of 6 to 12 month. The targeted share of 10% of the top 40% households correspond to 3500 Customers.

#### Awareness level

50 % of our focus group is aware about RealBaby

10% knows about their key benefits

8000 Instagram follower

800 Website hits per week

30 newspaper articles

Awareness level - measures

SEO homepage which has a clean and professional design

Constant Instagram & Facebook posting (at least 1 post per day)

Corporation with 50 influencer which post constantly (min twice a week)

### 5.7.7 Costs

Costs	€/meal	€/5 meals	€/10 meals
raw materials & cooking	1,40	7,00	14,00
5-Star Rating Bonus (80%)	0,16	0,80	1,60
Reusable premium Glas (6 times)	0,08	0,40	0,80
Reusable transport box (6 times)	0,03	1,00	2,00
<b>calulatoric variable costs/ menu</b>	<b>1,67</b>	<b>9,20</b>	<b>18,40</b>

Table 11: Product costs

### 5.7.8 Pricing

subscption duration	menu/ delivery	deliveries	amount	price/ menu	reusbale jars	total price	price/ menu	price/ week
1 month abo	5	4	20	3,25 €	9,90 €	74,90 €	3,75 €	18,73 €
1 month abo	10	4	40	3,19 €	19,90 €	147,50 €	3,69 €	36,88 €
3 month abo	5	12	60	3,09 €	- €	185,40 €	3,09 €	15,45 €
3 month abo	10	12	120	2,99 €	- €	358,80 €	2,99 €	29,90 €
<b>Average price / menu</b>							<b>3,04 €</b>	

Table 12: Pricing

### 5.7.9 Distribution

The distribution will be carried out only via an online shop. All points of contact with the customer will be designed really consumer focused with an very professional appearance.

Here are all points of contact with the customer highlighted:

First point of contact:

Instagram or Facebook (well-designed posts)

Google Add

Homepage:

Convenient

Very professional design

Compatible with all devices, especially mobile

Various payment methods

Delivery Car:

Company logo and info on the car

Clean

Delivery personnel:

CI Clothing

As constant as possible

Feedback on the homepage:

convenient

## 5.7.10 Promotion

### Instagram & Facebook

#### Goals:

50 % of our focus group is aware about RealBaby

10% knows about their key benefits

8000 Instagram follower

#### Tasks:

Establishment of an Instagram and Facebook account for constant postings (at least 1 post per day)

Corporation with 50 influencer which post constantly (min twice a week)

### Homepage

#### Goals:

800 Website hits per week

5 Star Rating of homepage

#### Tasks:

SEO homepage which has a clean and professional design

Google Adds

### Newsletter

#### Goals:

Newsletter with significant information once a week

#### Tasks:

Creating customer orientated Mails

## Newspaper

### Goals:

10 newspaper articles to gain awareness and credibility – which will be also promoted on the homepage and on social media

### 5.7.11 Budgeting the Marketing Strategy

Based on the recommendation of the Small business Administration the Marketing budget will be 12-20% of the revenue (1 year: app: 150.000€) which corresponds to: 18.000-30.000 €

Marketing costs	h/week	salary/h	costs/week	costs/year
Establishment of an Instagram and Facebook account for constant postings (at least 1 post per day)	7	15,00 €	105,00 €	5.250,00 €
Corporation with 10 influencer which post constantly (min twice a week) 5 on payed basis and 5 on product sample basis	2	20,00 €	200,00 €	10.000,00 €
Homepage				
SEO homepage which has a clean and professional design			40,00 €	2.000,00 €
Google Adds			40,00 €	2.000,00 €
Newsletter with significant information once a week	3	15,00 €	45,00 €	2.250,00 €
10 newspaper articles to gain awareness and credibility – which will be also promoted on the homepage and on social media	2	15,00 €	30,00 €	360,00 €
Marketing costs			460,00 €	21.860,00 €



## 5.8 Organizational plan

### 5.8.1 Form of ownership

#### 5.8.1.1 Limited liability society

The Austrian limited liability society (Gesellschaft mit beschränkter Haftung - GmbH) is the most common form of both corporation and private business. As the name indicates, this business entity limits its owner's/founder's liability, namely to the starting capital of € 35,000. This is the main reason why we are using this legal form. In the food industry and especially in the baby food industry, there are several legal challenges. As we identified in the section SWOT Analysis one of the threats for our business are Legal regulations in the babyfood industry. To limit this risk a limited liability is very useful. When setting up the business, a contract has to be drawn up, stating the responsibilities and rights of the owner or partners, including information about financial and economic assets. Apart from registration in the Austrian Commercial Register (Firmenbuch), the firm also has to be registered with the municipal or district council authority to apply for a trade license. Taxes and accounting are done by a professional accountant.

### 5.8.2 Identification of partners or principal shareholders

The partners are Veronika and Ethan these two will be equal shareholders.

In the articles of association, it is stipulated at the time of formation that the foundation privileged capital contribution is limited to EUR 10,000. At least half of this amount (EUR 5,000) must be paid up immediately in cash; non-cash contributions are excluded. This founding privilege is valid for a maximum of ten years from the date of registration of the company in the commercial register.

Then a company agreement is concluded in the form of a notarial deed.

Veronika Kappa is declared managing director and also assumes the function of managing director under commercial law .

### 5.8.3 Authority of principals

Veronika - CEO

Veronika is responsible for the strategic and consumer related tasks of the venture.

As managing director she will be responsible for the following divisions :

Product and marketing management

Product development and nutritional science

Quality management

Customer relations

Ethan - COO

External partnership management

Finance

Purchasing

Cooking & Distribution

Growth and Expansion

### 5.8.4 Team of advisors

Entrepreneurship Advisor scientific – professor entrepreneurship

Strategic consulting on a scientific level

Entrepreneurship Advisor practical – industry expert

Strategic consulting on a practical level

Design and Marketing - senior designer FMCG

strategic consulting in corporate appearance and product design

Sales e-commerce – Senior sales manager e-commerce small venture

Practice-oriented consulting in specific sales matters

### 5.8.5 Roles and responsibilities of members of organization

Role	Form of employment	regular operations
Nutritionist	service on an hourly basis	Consulting in the development of the nutritional concept  Support with individual nutritional questions
Marketing social media	permanent employee	Responsible for all social media activities, contents, and partnering influencer
Consumer relations expert	permanent employee	First point of contact for Customers  Account Management
Purchasing	Entrepreneurs/ outsourced	Purchasing of all materials relevant to operations
Cooking	outsourced	Cooking and packing the meals according to the instructions
Delivery	permanent employee	Delivery of the meals and collection of the empty Jars
Product and marketing management	permanent employee	Product and Marketing strategies
Product development and nutritional science	permanent employee/ Entrepreneurs	Recipe development
Quality management	permanent employee/ Entrepreneurs	Quality control of all processes

External partnership management	Entrepreneurs	management of all external partnerships
Finance	Outsourced / Entrepreneurs	Financing, Cashflow Management, Tax
Growth and Expansion	Entrepreneurs	Business expansion

Table 13: Roles and responsibilities of members of organization

## 5.9 Assessment of risk

### 5.9.1 Evaluate weaknesses of business

#### No brand awareness

Due to the fact that there are established well known and trusted labels in the industry, not having a brand with that features is an competitive disadvantage. In the last years the consumers were getting used to new labels. This new labels are quite sucesessful in the meantime and the consumers have a demand for variety. This is what makes it realistic – having a good appearance and marketing – to successfully launch a new label.

#### User not used to buy babyfood online

Especially the younger generation (the millennials) which are our focus group likes to buy nearly everything online. Covid has even strengthened this trend. To target the young an “online” consumer very specific we choose to focus our marketing only on online activity.

#### Limited shelf life

Limited shelf life is a major challenge. the supply chain must function very quickly and consistently. The 1-3 month subscriptions and a very local production and distribution system make it easy to manage those challenges. The short shelf life and of course the resulting fresh food, meet a very current and strong consumer need. The freshness is therefore placed in the focus of our marketing activities.

#### Constant Cooling needed

In order to ensure constant cooling, the delivery is carried out by the company itself. Additional security in the system brings a special reusable cool carton packaging. Short interruptions of the cold chain can be easily compensated by the primary packaging and the good manufacturing praxis.

#### High production costs due to no industrial production

The non-industrial production brings an absolute unique position on the market and allows the realization of excellent products in the premium price segment.

### 5.9.2 New technologies

Our business plan brings traditional steam cooking an small local organization units in to a branch which is only used to big industrial production.

## 5.10 Financing plan

According to Statistics Austria, approximately 20,000 children are born in Vienna every year. Our core target group focuses on children between 6 months and 12 months. After that, an introduction to the family diet is possible and special food for little people is no longer necessary. Therefore, there are about 10,000 babies in this age group in Vienna. With our price structure, we will target the top 50% of households in terms of household income. A constant market share in this sector of 10% is our target.

Births Austria by province:

<b>Österreich</b>	<b>84.952</b>
Burgenland	2.232
Kärnten	4.485
Niederösterreich	14.652
Oberösterreich	15.057
Salzburg	5.780
Steiermark	10.970
Tirol	7.522
Vorarlberg	4.319
Wien	19.935

Table 14: Births Austria by province  
(Statistik Austria, 2020)

This corresponds to  $(10,000 * 0.50 * 0.1)$  about 500 permanent customers, which of course renew every 6 months.



With a sales price of 3,04 € this corresponds to a yearly turnover of (500 customers \* 5 menu/week \* 3,04 €/menu \* 4,1 weeks/month\*12 month) on average 373.920 €, which should be reached after 24 months.

In the third year, the customer base is to be expanded to approx. 1000 permanent customers through the expansion to Linz and Salzburg and increases in Vienna. What an average turnover of about 747.840 €.

After consolidating all processes in the second year and with the first experiences with expansions in Austria, in the third year a larger jump in turnover is to take place through an expansion into German cities. The goal is to have a total of 3500 permanent customers by the end of the fifth year. This corresponds to a turnover of 2.617.440 € and an gross profit of 752.707 € before taxes.

### 5.10.1 Assumptions

- Sales are calculated on birthrates and household income data
- Salaries and personnel needed
- Rent is based on average renting prices in Vienna

## 5.10.2 Proforma income statement (year one by month)

year	year 1											
month	Jan	Feb	Mar	Apr	Mai	Jun	Jul	Aug	Sep	Oct	Nov	Dez
Locations	Vienna											
Customers	20	50	65	85	111	145	189	246	320	416	541	704
Menu sold	410	1.025	1.333	1.743	2.276	2.973	3.875	5.043	6.560	8.528	11.091	14.432
<b>sales</b>	<b>1.246</b>	<b>3.116</b>	<b>4.051</b>	<b>5.297</b>	<b>6.918</b>	<b>9.036</b>	<b>11.778</b>	<b>15.331</b>	<b>19.942</b>	<b>25.925</b>	<b>33.715</b>	<b>43.873</b>
<b>Less: Costs of goods sold</b>	<b>686</b>	<b>1.715</b>	<b>2.229</b>	<b>2.915</b>	<b>3.807</b>	<b>4.972</b>	<b>6.481</b>	<b>8.436</b>	<b>10.974</b>	<b>14.266</b>	<b>18.553</b>	<b>24.142</b>
<b>Gross Profit</b>	<b>561</b>	<b>1.401</b>	<b>1.822</b>	<b>2.382</b>	<b>3.111</b>	<b>4.064</b>	<b>5.297</b>	<b>6.895</b>	<b>8.969</b>	<b>11.659</b>	<b>15.163</b>	<b>19.731</b>
Expense												
<b>Salaries</b>	<b>1.260</b>	<b>1.460</b>	<b>1.460</b>	<b>3.458</b>	<b>3.458</b>	<b>3.458</b>	<b>3.458</b>	<b>3.458</b>	<b>3.558</b>	<b>3.558</b>	<b>3.558</b>	<b>3.558</b>
Marketing	420	420	420	738	738	738	738	738	738	738	738	738
Customer relation	-	-	-	420	420	420	420	420	420	420	420	420
Entrepreneurs	840	840	840	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000
Delivery	-	200	200	300	300	300	300	300	400	400	400	400
others	-	-	-	-	-	-	-	-	-	-	-	-
<b>Rent</b>	<b>1.250</b>	<b>1.250</b>	<b>1.250</b>	<b>1.250</b>	<b>1.250</b>	<b>1.250</b>	<b>1.250</b>	<b>1.250</b>	<b>1.250</b>	<b>1.250</b>	<b>1.250</b>	<b>1.250</b>
HO Equipment	250	250	250	250	250	250	250	250	250	250	250	250
HO Rent	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
<b>Utilities</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>
testing ingredients	100	100	100	100	100	100	100	100	100	100	100	100
Company & Delivery car	400	400	400	400	400	400	400	400	400	400	400	400
<b>Marketing</b>	<b>7.198</b>	<b>1.198</b>	<b>1.198</b>	<b>1.198</b>	<b>1.198</b>	<b>1.198</b>	<b>1.198</b>	<b>1.198</b>	<b>1.198</b>	<b>1.198</b>	<b>1.198</b>	<b>1.198</b>
<b>Insurance &amp; Legal support</b>	<b>2.150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>
<b>Payroll taxes</b>	<b>378</b>	<b>438</b>	<b>438</b>	<b>1.037</b>	<b>1.037</b>	<b>1.037</b>	<b>1.037</b>	<b>1.037</b>	<b>1.067</b>	<b>1.067</b>	<b>1.067</b>	<b>1.067</b>
<b>Depreciation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Office expenses</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>600</b>	<b>600</b>	<b>600</b>	<b>600</b>	<b>600</b>	<b>600</b>	<b>600</b>	<b>600</b>
Laptops	100	100	100	100	300	300	300	300	300	300	300	300
mobile phones	100	100	100	100	200	200	200	200	200	200	200	200
others	100	100	100	100	100	100	100	100	100	100	100	100
<b>total operating expenses</b>	<b>13.036</b>	<b>5.296</b>	<b>5.296</b>	<b>7.893</b>	<b>8.193</b>	<b>8.193</b>	<b>8.193</b>	<b>8.193</b>	<b>8.323</b>	<b>8.323</b>	<b>8.323</b>	<b>8.323</b>
<b>Gross profit</b>	<b>- 12.475</b>	<b>- 3.895</b>	<b>- 3.474</b>	<b>- 5.511</b>	<b>- 5.082</b>	<b>- 4.129</b>	<b>- 2.896</b>	<b>- 1.299</b>	<b>645</b>	<b>3.336</b>	<b>6.839</b>	<b>11.408</b>

\*initial costs for legal advise 2000 €, homepage 3000 € and marketing 3000 €

Table 15: Proforma income statement (year one by month)

### 5.10.3 Proforma income statement (five years)

year	year 1	year 2	year 3	year 4	year 5
month					
Locations	Vienna	Vienna	3 Cities	5 cities	10 cities
Customers	241	500	1.000	2.000	3.500
Menu sold	59.286	123.000	246.000	492.000	861.000
<b>sales</b>	<b>180.229</b>	<b>373.920</b>	<b>747.840</b>	<b>1.495.680</b>	<b>2.617.440</b>
<b>Less: Costs of goods sold</b>	<b>99.176</b>	<b>205.759</b>	<b>411.517</b>	<b>823.034</b>	<b>1.440.310</b>
<b>Gross Profit</b>	<b>81.054</b>	<b>168.162</b>	<b>336.323</b>	<b>672.646</b>	<b>1.177.131</b>
Expense	-				
<b>Salaries</b>	<b>35.702</b>	<b>80.631</b>	<b>91.383</b>	<b>154.945</b>	<b>248.804</b>
Marketing	7.902	10.273	15.409	23.113	34.670
Customer relation	3.780	4.158	4.574	5.031	5.534
Entrepreneurs	20.520	60.000	60.000	60.000	100.000
Delivery	3.500	4.200	8.400	16.800	33.600
others	-	2.000	3.000	50.000	75.000
<b>Rent</b>	<b>15.000</b>	<b>15.000</b>	<b>15.000</b>	<b>15.000</b>	<b>15.000</b>
HO Equipment	3.000	3.000	3.000	3.000	3.000
HO Rent	12.000	12.000	12.000	12.000	12.000
<b>Utilities</b>	<b>6.000</b>	<b>6.000</b>	<b>10.800</b>	<b>15.600</b>	<b>30.000</b>
testing ingredients	1.200	1.200	1.200	1.200	1.200
Company & Delivery car	4.800	4.800	9.600	14.400	28.800
<b>Marketing</b>	<b>20.376</b>	<b>17.251</b>	<b>20.701</b>	<b>24.842</b>	<b>29.810</b>
<b>Insurance &amp; Legal support</b>	<b>3.800</b>	<b>1.800</b>	<b>1.800</b>	<b>3.600</b>	<b>3.600</b>
<b>Payroll taxes</b>	<b>10.711</b>	<b>24.189</b>	<b>27.415</b>	<b>46.483</b>	<b>74.641</b>
<b>Depreciation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Office expenses</b>	<b>6.000</b>	<b>7.920</b>	<b>10.632</b>	<b>14.503</b>	<b>20.079</b>
Laptops	2.800	4.200	6.300	9.450	14.175
<b>mobile phones</b>	<b>2.000</b>	<b>2.400</b>	<b>2.880</b>	<b>3.456</b>	<b>4.147</b>
<b>others</b>	<b>1.200</b>	<b>1.320</b>	<b>1.452</b>	<b>1.597</b>	<b>1.757</b>
<b>total operating expenses</b>	<b>97.589</b>	<b>152.791</b>	<b>177.731</b>	<b>274.973</b>	<b>421.935</b>
<b>Gross profit</b>	<b>- 16.535</b>	<b>15.371</b>	<b>158.592</b>	<b>397.673</b>	<b>755.196</b>

Table 16: Proforma income statement (five years)

## 5.10.4 Cashflow projections

year	year one											
month	Jan	Feb	Mar	Apr	Mai	Jun	Jul	Aug	Sep	Oct	Nov	Dez
<b>sales</b>	<b>1.246</b>	<b>3.116</b>	<b>4.051</b>	<b>5.297</b>	<b>6.918</b>	<b>9.036</b>	<b>11.778</b>	<b>15.331</b>	<b>19.942</b>	<b>25.925</b>	<b>33.715</b>	<b>43.873</b>
<b>Costs of goods sold*</b>	<b>514</b>	<b>1.457</b>	<b>2.100</b>	<b>2.743</b>	<b>3.584</b>	<b>4.681</b>	<b>6.104</b>	<b>7.947</b>	<b>10.339</b>	<b>13.443</b>	<b>17.481</b>	<b>22.745</b>
<b>Salaries</b>	<b>1.260</b>	<b>1.460</b>	<b>1.460</b>	<b>3.458</b>	<b>3.458</b>	<b>3.458</b>	<b>3.458</b>	<b>3.458</b>	<b>3.558</b>	<b>3.558</b>	<b>3.558</b>	<b>3.558</b>
<b>Rent</b>	<b>1.250</b>	<b>1.250</b>	<b>1.250</b>	<b>1.250</b>	<b>1.250</b>	<b>1.250</b>	<b>1.250</b>	<b>1.250</b>	<b>1.250</b>	<b>1.250</b>	<b>1.250</b>	<b>1.250</b>
<b>Utilities</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>
<b>Marketing</b>	<b>7.198</b>	<b>1.198</b>	<b>1.198</b>	<b>1.198</b>	<b>1.198</b>	<b>1.198</b>	<b>1.198</b>	<b>1.198</b>	<b>1.198</b>	<b>1.198</b>	<b>1.198</b>	<b>1.198</b>
<b>Insurance &amp; Legal support</b>	<b>2.150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>
<b>Payroll taxes</b>	<b>378</b>	<b>438</b>	<b>438</b>	<b>1.037</b>	<b>1.037</b>	<b>1.037</b>	<b>1.037</b>	<b>1.037</b>	<b>1.067</b>	<b>1.067</b>	<b>1.067</b>	<b>1.067</b>
<b>Depreciation</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Office expenses</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>600</b>	<b>600</b>	<b>600</b>	<b>600</b>	<b>600</b>	<b>600</b>	<b>600</b>	<b>600</b>
<b>external services*</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>
<b>total disbursements</b>	<b>13.650</b>	<b>6.753</b>	<b>7.396</b>	<b>10.637</b>	<b>11.777</b>	<b>12.874</b>	<b>14.298</b>	<b>16.141</b>	<b>18.663</b>	<b>21.766</b>	<b>25.804</b>	<b>31.068</b>
<b>Chash Flow</b>	- 12.404	- 3.637	- 3.346	- 5.340	- 4.860	- 3.838	- 2.519	- 810	1.280	4.159	7.911	12.805
<b>Beginning Balance</b>	33.000	20.596	16.959	13.613	8.273	3.414	- 424	- 2.943	- 3.753	- 2.474	1.685	9.596
<b>Ending Balance</b>	20.596	16.959	13.613	8.273	3.414	- 424	- 2.943	- 3.753	- 2.474	1.685	9.596	22.401

\*initial costs for legal advise, homepage and marketing

\*external kitchen get payed one week after delivery

Table 17: Cashflow projections

### 5.10.5 Pro forma balance sheet (End of first year)

<b>Assets</b>	
Cash	22.401
Accounts receivable	-
Inventory	100
<b>Total current assets</b>	<b>22.501</b>
Equipment	3.000
Less depreciation	-
<b>Total fixed assets</b>	<b>3.000</b>
<b>Total assets</b>	<b>25.501</b>
<b>Liabilities and Owners Equity</b>	
Accounts payable	6.036
<b>Total liabilities</b>	<b>6.036</b>
Owners equity	33.000
Retained earnings	- 13.535
<b>Total owners equity</b>	<b>19.465</b>
<b>Total Liabilities and Owners Equity</b>	<b>25.501</b>

Table 18: Pro forma balance sheet (End of first year)

## 5.10.6 Break-even analysis

Menu sold	410	1025	1332,5	1742,5	2275,5	2972,5	3874,5	5043	6560	8528
revenue	1.246	3.116	4.051	5.297	6.918	9.036	11.778	15.331	19.942	25.925
total costs	5.822	7.111	7.625	10.908	12.100	13.266	14.775	16.729	19.397	22.689

Table 19: Break-even analysis

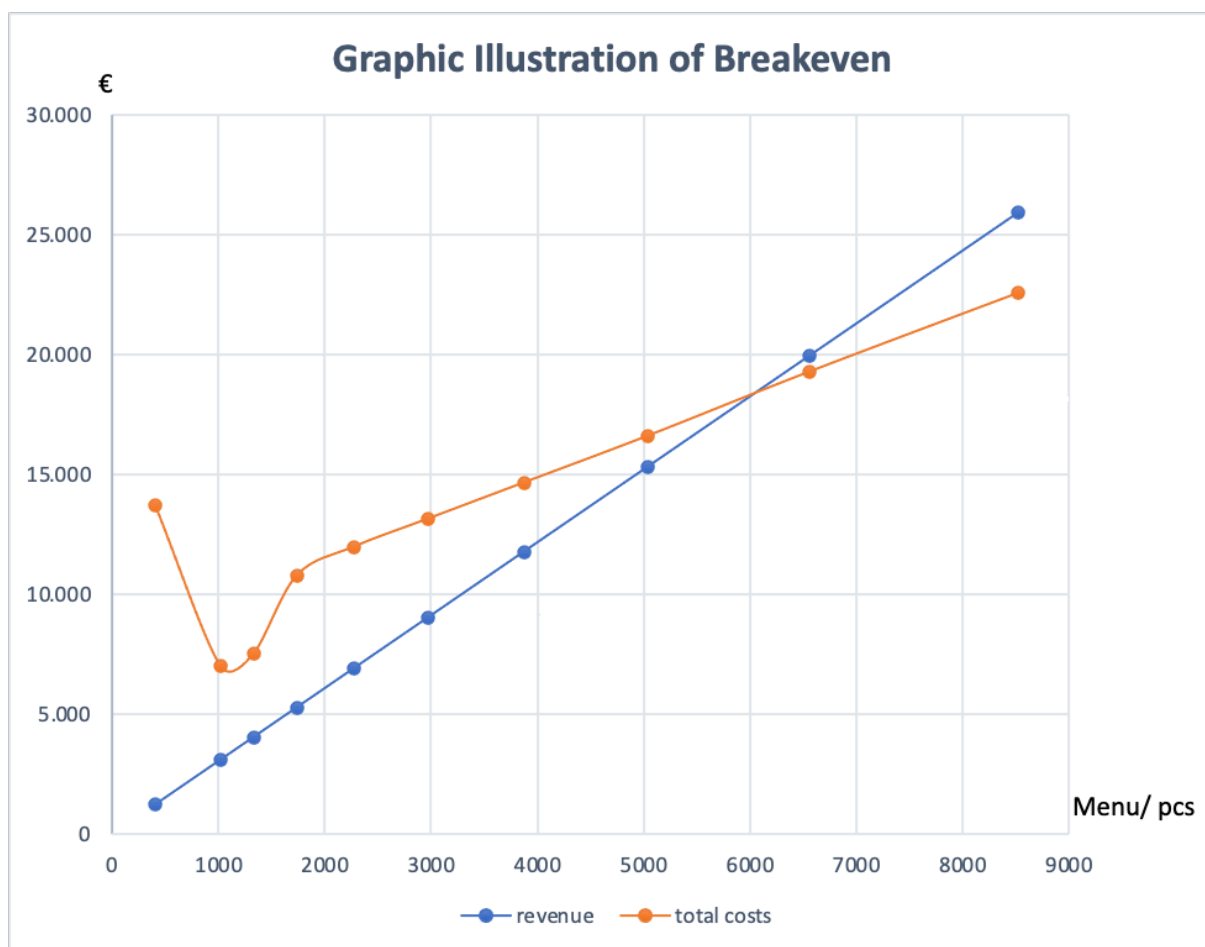


Image 8: Break-even analysis

### 5.10.7 Sources and applications of funds

Source of funds	
personal funds of founders	33000
Net income from operations	-13534,757
Add depreciation	0
<b>Total funds provided</b>	<b>19465,243</b>
Application of funds	
Purchase equipment	3000
Inventory	
<b>Total funds expended</b>	<b>3000</b>
Net increase in working capital	16465,243
	<b>19465,243</b>

Image 9: Sources and applications of funds

## 5.11 Statement of confidentiality (Bauer A., 2020)

This Statement of confidentiality is intended to prevent the unauthorized disclosure of Confidential Information (as defined below) contained in and relating to the business plan of Disclosing Party. The parties agree as follows:

### Confidential Information

“Confidential Information” is proprietary trade secret information contained within and relating to Disclosing Party’s business plan including but not limited to: business description, marketing plan, sales revenue forecast, profit and loss forecast, capital spending plan, cash flow forecast, future trends, personnel plan, business goals, personal financial statement, supporting documents and information conveyed in writing or in discussion that is indicated to be confidential.

### Non-disclosure

Receiving Party will treat Confidential Information with the same degree of care and safeguards that it takes with its own Confidential Information, but in no event less than a reasonable degree of care. Without Disclosing Party’s prior written consent, Receiving Party will not: (a) disclose Confidential Information to any third party; (b) make or permit to be made copies or other reproductions of Confidential Information; or (c) make any commercial use of Confidential Information.

Receiving Party will carefully restrict access to Confidential Information to those of its officers, directors and employees who are subject to non-disclosure restrictions at least as protective as those set forth in this Agreement and who clearly need such access to participate on Receiving Party’s behalf in the analysis and negotiation of a business relationship or any contract or agreement with Disclosing Party. Receiving Party will advise each officer, director or employee to whom it provides access to any Confidential Information that they are prohibited from using it or disclosing it to others without Disclosing Party’s prior written consent.



## Return of Business Plan Materials

Upon Disclosing Party's request, Receiving Party shall within 30 days return all original materials provided by Disclosing Party and any copies, notes or other documents in Receiving Party's possession pertaining to Confidential Information.

## Exclusion

This agreement does not apply to any information that: (a) was in Receiving Party's possession or was known to Receiving Party, without an obligation to keep it confidential, before such information was disclosed to Receiving Party by Disclosing Party; (b) is or becomes public knowledge through a source other than Receiving Party and through no fault of Receiving Party; (c) is or becomes lawfully available to Receiving Party from a source other than Disclosing Party; or (d) is disclosed by Receiving Party with Disclosing Party's prior written approval.

## Term

This Agreement and Receiving Party's duty to hold Confidential Information in confidence shall remain in effect until \_\_\_\_\_ or until whichever of the following occurs first: (a) Disclosing Party sends Receiving Party written notice releasing it from this Agreement, or (b) Confidential Information disclosed under this Agreement ceases to be a trade secret.

## No Rights Granted

This Agreement does not constitute a grant or an intention or commitment to grant any right, title or interest in Confidential Information to Receiving Party.

## Warranty

Disclosing Party warrants that it has the right to make the disclosures under this Agreement.

### 5.11.1.1 General Provisions

**(a) Relationships.** Nothing contained in this Agreement shall be deemed to constitute either party a partner, joint venturer or employee of the other party for any purpose.

**(b) Severability.** If a court finds any provision of this Agreement invalid or unenforceable, the remainder of this Agreement shall be interpreted so as best to effect the intent of the parties.

**(c) Integration.** This Agreement expresses the complete understanding of the parties with respect to the subject matter and supersedes all prior proposals, agreements, representations and understandings. This Agreement may not be amended except in a writing signed by both parties.

**(d) Waiver.** The failure to exercise any right provided in this Agreement shall not be a waiver of prior or subsequent rights.

**(e) Injunctive Relief.** Any misappropriation of Confidential Information in violation of this Agreement may cause Disclosing Party irreparable harm, the amount of which may be difficult to ascertain, and therefore Receiving Party agrees that Disclosing Party shall have the right to apply to a court of competent jurisdiction for an order enjoining any such further misappropriation and for such other relief as Disclosing Party deems appropriate. This right of Disclosing Party is to be in addition to the remedies otherwise available to Disclosing Party.

**(f) Indemnity.** Receiving Party agrees to indemnify Disclosing Party against any and all losses, damages, claims or expenses incurred or suffered by Disclosing Party as a result of Receiving Party's breach of this Agreement.

**(g) Attorney Fees and Expenses.** In a dispute arising out of or related to this Agreement, the prevailing party shall have the right to collect from the other party its reasonable attorney fees and costs and necessary expenditures.

**(h) Governing Law.** This Agreement shall be governed in accordance with the laws of the State of Austria.

**(i) Jurisdiction.** The parties consent to the exclusive jurisdiction and venue of the federal and state courts located in Austria in any action arising out of or relating to this Agreement. The parties waive any other venue to which either party might be entitled by domicile or otherwise.

**(j) Successors & Assigns.** This Agreement shall bind each party's heirs, successors and assigns. Receiving Party may not assign or transfer its rights or obligations under this Agreement without the prior written consent of Disclosing Party. However, no consent is required for an assignment or transfer that occurs: (a) to an entity in which Receiving Party owns more than fifty percent of the assets; or (b) as part of a transfer of all or substantially all of the assets of Receiving Party to any party. Any assignment or transfer in violation of this section shall be void. (Bauer A., 2020)

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## Appendix: Interviews

Identified Pain points are marked **yellow**.

### Interview 1 Vera

Eike: Thank you Vera for taking the time for this interview.

How are your children doing?

Vera: Very well at the moment, thank you.

E: How old are your children?

V: Elisabeth will soon be 5, Maria is 14 months.

E: When did you start eating with Maria after bottle or breast milk?

V: At about 4 months.

E: How did Maria react? Did it work relatively smoothly?

**V: It worked relatively smoothly, unless she was sick or had teething problems.**

E: Was Maria often sick?

V: No, not often. She likes to eat a lot, though.

E: How does Maria sleep?

V: Quite well, actually. She falls asleep quickly.

E: What are your eating habits like as a family? Does everyone eat for themselves or do you eat together?

V: Small children always need snacks in between. But we try to eat together 3 times a day. Like in the morning, at noon and in the evening.

E: And that always works so easily, the children wait until the food is ready?

V: Little kids are not always very patient. Especially when they are hungry or see the food or maybe even smell it. It's not always so easy.

E: Where do you buy your baby stuff like high chair, stroller, crib?

V: We buy a lot on the internet like on will have.

E: So rather used and not locally?

V: Exactly, I would say so.

V: Maria eats everything now. At most fruit snacks, which we call "Quetschis".

E: And what was it like when Maria was smaller?

V: Maria was breastfed and later I cooked the baby food for her.

E: Did you cook that for Maria or something else?

V: Similar to what I cooked for us, but with less salt and no spices.

E: What is important to you in general when it comes to baby food?

V: Fresh food and of course freshly prepared.

E: OK, so these ready meals as they are offered are rather nothing for you?

V: Rather not. Since Maria was born in the Corona era and we were there less to almost not at all on the road. At most to the grandparents.

E: And what did Maria eat at her grandparents' house?

V: She was already a bit bigger then, so she ate with them. Like noodles or vegetable sticks.

E: Ah you tried that Maria eats with her fingers! How did that work? What was your experience?

V: She accepted it relatively well and was very skillful.

E: Did you do this for a special reason?

V: Since we still have our big one Elisabeth who also wants to be taken care of, it's great when Maria becomes independent early. It's easier and she likes to eat with her hands and alone. We have read a study that speaks in favor of this. We just decided that she eats sticks and a lot of chopped fruit and vegetables.

E: You cooked a lot yourselves. How old can food be for you?

V: Preferably fresh and otherwise no older than the baby.

E: What does fresh mean to you?

V: That we consume the food on the same day it is cooked. Or, of course, precooked food that has been frozen or has been in the refrigerator for a short time.

E: When you think of fresh baby food is that for you a certain way of production or do you use additives for preservation?

V: No additives just fresh food.

E: What is important to you in the packaging?

V: That it is quick and easy to open. Because with children everything should go fast especially when they are hungry.

E: Ok! There's this plastic pashing now. Where very thin, practical, lightweight and environmentally friendly packaging material has been discredited. What kind of packaging do you prefer?

V: Glass jars are optimal. You can put them in the fridge to chill if the baby doesn't eat the meal and reheat it later in the jar. No packaging waste.

E: So it is important to you to produce little waste or to reuse it?

V: Yes, that would be optimal.



E: If you were to buy baby food now, would you prefer a large manufacturer with a certificate and quality assurance and guarantee? Or rather a small local manufacturer?

V: More regional.

E: Although small stores tend to employ only a few people and there are no certificates and guarantees?

V: Even in large companies, something may not work or happen that way. Risk remains.

E: Why would you trust the small manufacture in the place rather?

**V: Regional is important for me and small companies should be supported and challenged.**

E: Regional is very important for you. Would you prefer to put together a nutrition plan for Maria yourself or would you like to leave that to a professional. Who would provide you with an age-appropriate nutrition plan?

**V: Would already like to get tips on nutrition. Maybe not only age appropriate but also tailored to my daughter's preferences.**

E: Is it important to you if the baby food is cheap?

V: No, the content is important, not the price.

E: What bothers you about the current range of baby food?

V: Since I buy very little but have certainly tried it is difficult, but maybe the taste. The menus or jars do not taste so good would not want to eat them myself therefore I do not like to give them to my children.

E: It is important to you that it tastes good and that it is made from fresh food. That's why you prefer to cook yourself.

V: Then it smells and tastes better, cooking it yourself is better.

E: Why do you think the ready meals don't taste so good?

V: It takes forever to cook and it has to be preserved for a long time. At home that is rather not the case.

E: Finally, what would you like to see in baby food that is not yet on the market?

V: A Speedy Breakfast for our little one. Everything always has to go fast, otherwise we all have the feeling that she is starving. She doesn't like bottles in the morning anymore. Maybe muesli that tastes good and can be prepared quickly. But not a one-sided diet with variety.

E: I'm sure you speak from the heart of many parents.

Thank you for your time and all the best to you and your family.

## Interview 2 Domenica

Eike: Yes, thank you very much for taking the time.

Let's start in general. How is your child? Do you have a boy?

Domenica: No, we have a girl who is now 3 years old and now a boy is coming in summer.

E: Oh ok, I got that mixed up. At the age of 3 you are already out of the roughest food actions.

D: Yes, but I must also say that our daughter was very quickly an enthusiastic eater. So from month 6 or 7 on, it was really very uncomplicated.

E: Ah, ok. When did you guys start there? You were breastfeeding at the beginning?

D: Yes exactly. 4 months fully breastfed and then the classic with the 5 month started with the Breichen. Hippbrei! Then as the plan is just so, you start first with lunch and then comes a breakfast porridge or evening porridge to it and then you leave out just more and more breastfeeding times and replace them with other meals. Actually, at 6, 7 months she was so happy with her meals that we then replaced breastfeeding with a bottle. This was soon no longer necessary, because she was so full that we replaced the bottle by cuddling and so. And it was good. Then she started eating fruit very quickly, because it was spring.

E: OK, great.

D: Then we added little snakes. Since then she eats normally with us, the family food.

E: Was that actually such a topic with you the new trend BLW? Where one tries that the children much it the Finger or hands eats and a selection at the plate have. Where they can choose for themselves what they eat first? Or was that not yet an issue with your big one?

D: Yes I can remember that I have come across the concept. But I didn't orient myself to concepts when it came to food. It was important to me that food was a family story from the beginning, and when you eat you don't do anything else. For example, I behaved in an insanely disciplined way when my daughter ate, and then my cell phone was gone. At the dinner table really only eat. What we have already done, she has had her choice on the plate but what else we have not given her then if she did not want that. I didn't go to the kitchen 3 more times and get her something else. I wanted her to try everything. But she accepted everything well. I guess that also depends on the child. If she doesn't eat anything, you probably fold and get something else. She was so curious about everything and accepted everything so well that in her case there was no big philosophy behind it. She just ate what we ate, but prepared differently for her. But of course she was allowed to eat it with her fingers, then she tried it with a spoon. She was allowed to taste it.

E: So you cooked your own food and gave it to her unseasoned or how did you do it?

D: In the very beginning I bought 15 different kinds of vegetables in the store. All steamed and pureed and frozen individually. That it simply times a taste experience for all individuals has. I have already noticed that, you can buy a few varieties for individual vegetables, but the choice is limited. There will be mixes or menus soon.

E: You mean, if you buy Hipp jars there they are quickly times mixed and not only kohlrabi or peas?

D: But after a few weeks I started to mix them together. There I have, what do I know, once a month a night shift or evening shift inserted and everything boiled down and later simply mixed together. Then, of course, you add the meat and those things. With us it was a bit seasonal, she started eating in the winter. Then you are also more at home. That's when we were able to build it up well at home. From then on, in the spring, when we were on the road a lot, we relied much more on bought jars and menus. Simply because it was practical.

E: Interesting, yes we did that with our little one as well.

D: Yes, I'm sure you know that from your big one, too. The fruit! I think that's why she became such a fruit tiger. It is just so turned out from the season that the variety was large. And she had all her berries and melon and so on. Apple pieces are still very difficult to eat at the beginning. Just so the soft finger food stories are the largest selection in the summer. Because always only banana is soon enough.

E: Where did you buy your vegetables, since you cooked a lot yourself? And if you resorted to conventional baby food, where did you buy it? How did you decide?

D: Actually everything in the DM market, because that is so due to the place, infrastructure. We live in a small town, but it is well equipped. The private labels and Hipp!

E: OK. So the classic stuff. Hipp jars or like the cheeky friends and Fruchtbar, they're added now too. The startups.

D: Exactly, we then also bought them later, so in the summer, when we were on the road or traveling. These things were super, practical. So the menus or what I cooked up or the Hipp menus. I heated them up and filled them into a thermo cup, and that worked great for on the road. But what made me decide that? Probably simply out of familiarity. With Hipp, it's appealing that they use organic products. Because I like to use organic products whenever possible. The others also do that with their baby food. But we just had a recall campaign for our own brand at DM. That has already disturbed the trust.

E: OK, trust plays a very important role. I've heard that several times. It's really important. What surprised me is that we have ordered almost everything that concerns baby supplies and things for everyday life on the Internet. Starting from bottles to pacifiers or diapers. But with baby food you do that less or the offer is not so present. How did that work out for you?

D: I'm not really an online shopper. I really only resort to online shopping when there is no other option. Purely for economic reasons, I'm not interested in all the money going to Amazon and the like. The temptation is there, because it costs diapers just much less what people have told me so. But yes that we thank God in the situation as a family have a household income, where we do not have to turn over every penny. Do we also have the feeling that we have to

look at that it somehow remains in the cycle and I prefer to look around in the store than at products online. So online just as an informational purpose. I don't like the oversupply of online shopping, it seems attractive that you can look at everything but am overwhelmed. In the store I have my choice 3-5 things and that fits.

E: I feel the same way. 2-3 things to choose from is enough.

D: There I am quite conservative. There were also other times. I noticed this 1 year with the 1 child, you acquire an incredible amount of stuff. Whether that's a rocker or food or a playpen. But this constant looking what there is everything. I then found for me that I spend too much time with research and just have my 2 to 3 stores of trust, I go there and what there is enough for me.

E: OK, yes super. Very interesting. It's true that you have a lot to do at that time and if you can save a little bit of time that's really good. But that means you would say that it is generally not so important to you that baby products are particularly cheap, but that it is rather local. Does that also apply to baby food?

D: Yes, I would never order online.

E: OK, and when you're standing in front of the shelf, it's not so critical whether the jar costs 10 cents more or less?

D: No, if they can convince me on the packaging that the quality and the product are right. And on the other hand that it was not shipped across an entire continent in individual parts.

E: Exciting. Is it important to you that baby food is produced in large quantities? Through the full protection of quality assurance and the large process that we have behind it. Or would you prefer it if there was such an organic factory in your small town that produced baby food in smaller quantities and on a smaller scale?

D: If there were an offer, I would certainly go for it, to be honest.

Knowing that, of course, they would have to convince me that the quality is right. But I would certainly give them a chance. Because, yes, not everything is better, it doesn't have to be transported here from Scandinavia.

E: OK, yes, that's true. It's generally true in the food industry that small stores like organic stores are becoming more and more attractive for people and regionality is becoming more and more important. Sustainability, organic. Organic is almost standard in the baby sector anyway, with a few exceptions. The standards are really very high.

D: But I find it regrettable that you as a consumer, at least in a classic supermarket, almost always decide whether organic or regional. Regional I mean now really not only Austria. For example, Slovakia, Hungary or the Czech Republic is also regional for me. Because Vorarlberg is also far away. Most organic products, of course, just so with fruit and vegetables, which come from Italy, Spain. But it also depends on the season.

E: OK, for you regionality really has a very high value. When you choose like that, also for you and the little ones.

D: Yes, you buy an insane amount of it.

E: Yes, that's true. What kind of expectations do you have for packaging? In terms of food in general or baby food. What is important to you in terms of packaging?

D: If I can return it to the recycling cycle, i.e. glass and metal, then it fits wonderfully. You don't really have anything else anyway. The cartons. I wouldn't buy baby food in a plastic jar.

E: So, now in a cup, in a plastic cup, that wouldn't be interesting for you.

D: Yes. But quite long-lasting, actually. Plastic is for me always when a food is inside for a short time. Then it's not a problem, then you can just recycle it in the yellow bag. But if I keep it for a long time, then I actually prefer it to be in paper or glass.

E: Could you imagine using a reusable jar? That are a little more massive, get cleaned again, and get refilled?

D: Yes. I even tried once to put my own things then in the Hipp jars. But they weren't preserved and I didn't dare for fear that they might shatter.

E: Shattering is not the problem. It's just that you can't close the caps like that. It's better to use normal jam jars. It's easier to reseal them. They have a thick glass. They seem more trustworthy to me.

D: Yes, I needed so many. Then I had these cups, although they were also made of plastic, which you take for the milk when you pump. That's when I asked what kind of plastic it was. And I took them for myself, because I also knew that I would only freeze it for a short time.

E: So as a packaging expert, if you take something from the baby area, if it is also made of plastic. Are they invariably safe. Especially if you freeze them. There all the chemistry is frozen with. Nothing gets into the food.

What would you consider fresh baby food?

D: Honestly, what I cook myself. With what I bought that day or that week. What I buy in the supermarket or drugstore, I wouldn't call fresh baby food now.

E. Why not?



D: Yes, because it's usually made somehow, somewhere, and also designed to be kept on hand. And fresh for me is: I have the basic food and cook something from it and eat it, or freeze it. Vegetables, fruits immediately for consumption.

E: So for you fresh is that it is cooked immediately before it is eaten?

D: Yes, actually.

E: It's an exciting topic. It's exciting, you see more and more products in the supermarket that are advertised as fresh. But have a shelf life of 4- 6 months. I find personally also no longer so authentic. For me also no longer fresh.

D: Fits now so in my head not so together, for my understanding.

E: What would be for you so a maximum shelf life, that it is fresh?

D: Do you mean in the sense that it is already prepared? I'm sure you're talking about days, not months.

E: OK. Does it make a difference to you if it's in the fridge or on the shelf?

D: Not necessarily. Because, fruits and vegetables are also fresh and don't necessarily need to be refrigerated. For prepared foods those I would assume already on the refrigerated shelf.

E. Can you think of anything else that has bothered you about the current range of baby food? Or what you miss?

D: Ah, as I said at the beginning. To taste it through once. Since I find the selection of small jars too little, like only pure carrot. That was limited to some extent. There I must also say, that

would be practical if there were more choice. Whether that is profitable for a company? One does not need so long. There I would have but certainly reached. Because such small quantities are simply practical. You shouldn't keep them for so long. Samples at the beginning would be practical. If they were available in a larger variety.

With the menus, I found the selection wonderful anyway, it helped me a lot that there are age specifications on them. To be honest, from the age of one she ate with us as normal. Everywhere. If I would develop products still to it, then I would say rather for the fresh range. But maybe my attitude will be different in a year. Because there I start to work again after the 2 child. Maybe then the time is an issue, and I also fall back on the menus.

### Interview 3 Nicole

Eike: Generally why we do the interview, I need it for my Master Thesis. I'm writing about innovations in the baby food sector. That's why it's interesting how parents think about nutrition, what's going on and what things there are in daily life.

How is Leo doing with food?

Nicole: Once better, once worse. He is not a big eater, let's say.

E: OK. But does he have certain preferences what he likes and what he doesn't like.

N: Yes, he doesn't like vegetables at all. But he likes fruit. Cheese, pasta, yes, he does have preferences.

E: Fruit is the classic, most of the time it goes well. What are his favorites?

N: He likes grapes or strawberries, blueberries.

E: I see, so fruit is not just pureed?

N: No, he likes them in pieces.

E: Is he there by himself or does he prefer to be fed?

N: He eats that himself.

E: How old is Leo now?

N: 1 year he was in April.

E: So it is rather difficult with vegetables? Have you already tried a few things?

N: Yes, we always give him something, but he just doesn't eat it. He picks out what he doesn't like and throws it on the floor.

E: OK. What if he gets meat with vegetables now? The meat lean but the vegetables not.

N: Yes, exactly. He likes meat.

E: That's fine if he knows what he wants.

N: Sure.

E: When do you eat or how does that work for you? Does Leo eat separately then?

N: No, he eats with us all the time. Morning, in the morning he eats something with us, lunch, afternoon and in the evening.

E: OK. He gets glasses like that from you guys?

N: Sometimes he gets Hipp jars or he cooks himself. Depending on the time available.

E: When it has to go fast, then it's the same with us.

N: Or, if we cook something he doesn't want, then he gets a jar.

E: OK, you already know that in advance. Like, for example, vegetable loaves or something?

N: Yes, exactly.

E: Exciting. When you cook so that Leo can eat with you, do you just season it a little less, or how do you cook it?

N: No, not at all. He eats everything we eat. I don't pay attention to that at all.

E: Yes, at the age of one, it works very well. When you started, did you cook a lot yourselves or did you start with jars?

N: Rather with jars. Actually, we cooked less.

E: Why?

N: Because it's actually faster. Because fresh cooking is very time-consuming. You open the jar and he eats it. Because it's always such small amounts that you need. I would have tried it, but I had to throw it all away.

E: OK, then you rather just bought jars? You have a lot of choice there, don't you?

N: Yes, a lot of choice, something different every day. Child- and age-appropriate. First pureed, then it starts with a few pieces.

E: Where do you buy baby food? Does the factory decide that? Is it more your job or Mario's?

N: No, it's more me who does that. He doesn't take care of that. I usually go shopping. Where do I shop? Yes, I buy a lot at Hofer or at Bipa. At Hofer I buy mainly the brand "Back to the source". I buy the jars at Bipa. There mainly Hipp products.

E: Online baby food, rather not?

N: We don't do that at all.

E: Okay, why not?

N: Actually, there is no particular reason. It didn't turn out that way. Always bought in the store.

E: Diapers or something like toys?

N: We buy diapers on the Internet. We also like to buy toys on the Internet.

E: As a father, I was surprised. **You can buy a lot of diapers and baby stuff on the Internet, but there's not really an offer for baby food.**

N: Yes exactly, not really an offer available. That's true.

E: What is important to you in baby food? Not only now that Leo is already a year old, but when you started, after breastfeeding, so in the transition period?

N: **Actually, the ingredients were important to me. That there are not any additives. That it is really natural. That the quality is right. For example, with fruit jars, that there is not an apple juice, or added sugar or concentrates.**

E: How old can baby food be for you that you still give it to Leo?

N: I always look at the best before date. I always feed most of it right away anyway when I buy it. Doesn't get old in our house.

E: Just saw, Leo is finger fed too. Does he like that?

N: Yes, he does. When he can get it himself and also decide for himself how fast and what. He doesn't really like it when you feed him. He usually takes it off the fork and eats it himself.

E: Has he always had that?

N: No, it has only come with time. In the beginning he was spoon-fed. At times he didn't eat porridge anymore, but he ate our food.

E: So after breastfeeding, the porridge was added?

N: In the beginning the porridge went. But as he got OLD, he wanted to eat with us.

E: What is important to you about the packaging?

N: That not too much plastic is used. Rather glasses than plastic packaging. Or recyclable material is used. Like cardboard, or the packaging is reused.

E: Why not plastic?

N: Plastic is just garbage. Plastic is not disappearing, don't have to buy garbage now, I think. If it's not absolutely necessary, some things you can't change anyway. It's just packaged that way.

E: Would it be the important that baby food is produced professionally in large quantities. Including full safety through quality assurance and the whole process that's there? Or would you rather be able to buy baby food now in Weisskirchen, from a small organic manufacturer?

N: I would say rather at a small store. That I know. Regional, that would be important to me. Trust.

E: With large companies, however, many people work on quality assurance.

N: No, more regional I would have to say. Especially if I knew them personally and knew how the baby food was made. The other one has more of an industrial character.

E: Would you rather make up your own menus for Leo then, or would you rather there be an age-appropriate menu plan?

N: Would rather choose from the whole assortment, just tailored to Leo. Only buy what he likes.

E: What would you consider fresh baby food? What are fresh foods in general for you?

N: Yes, fresh vegetables. Meat from organic farms. Anything that is freshly prepared. Freshly prepared and consumed relatively promptly.

E: Can you imagine buying fresh baby food at the store?

N: You mean freshly poured into a cup? I do then, yes. But would I expect in the refrigerator not on the shelf.

E: Is it important to you that baby food is particularly cheap?

N: No, it doesn't. Would also pay more if it's something clever. Have not looked at the price when picking out. The price is however in the small range so starting from 1 euro per glass.



E: Exactly I would also say, price rather in the lower range.

Is there anything that bothers you about the current offer?

N: Yes, that it is not as fresh as I imagine.

E: How do you imagine that?

N: That the jars don't last as long. Or only last a short time on the shelf.

E: How was your experience, how long do jars last?

N: Yes, 1 to 1.5 years. Because if you cook yourself, they don't last that long either.

E: Yes, exactly. They last 12 to 14 months. Do you miss anything in the assortment or the selection?

N: No, not really. Great range. There was always the right thing for me.

E: Yes super. Thank you for your time.

N. You're welcome.

## Interview 4 Andrea

Eike: Thanks for taking the time, I do the interviews for my Master thesis. Write about innovations. Structuring, managing and building innovations. I'm doing it on some case studies regarding baby food. Consumer interviews. What everyday life is like with small children. Your Fabian is exactly at the interesting age.

Andrea: Fabian is 7 months today.

E: Perfect. How are you guys doing with food right now? You are still breastfeeding?

A: Exactly. Basically, we started eating at 4.5 months. He wasn't pulling at all then. That was too early for him. Then we waited about 2 weeks and started slowly. He has days when he eats well, and there are days when he leaves everything. We have tried a lot of things, but a real meal does not really work. He is very interested and tries everything. Basically his food is still the breast. Milk meal.

E: But you've been very smart about how the start of feeding might work. Plan how to move forward?

A: Plan is relative. We would like to try baby led weaning. **We started with piece feedings and not with a porridge at all. He didn't pull well at all. Then I started to puree the things anyway. Now we do a mixture, he gets some things in his hand and some things as porridge.**

E: OK. How did you get into baby led weaning.

A: I had problems with breastfeeding. I went to a lactation consultant and she recommended it to me.

E: Cool. With our Elisabeth it wasn't an issue yet, she got a lot of porridge, but with Maria it worked very well from the beginning. She can choose for herself what she wants to eat. You buy fruit or vegetables and cook them or puree them?

A: Exactly, buy fresh organic vegetables from Austria, or from the region, conventionally from the farmer. We live in a rural area. There one has another relation to the food. To me nothing goes off so, since there is very much Austrian food. At the start there was only pumpkin, but now in spring we have a wide selection.

E: Yes that's true. If you cook vegetables yourself, wouldn't baby jars be an alternative?

A: I have already thought about it. But I prefer to prepare it for him the way we need it. Like potatoes for us, he gets that too. Since he eats very little.

E: OK. Which one of you does the shopping? Who picks out the baby items or your groceries?

A: Shopping is done by me. Thomas does the shopping too, but only according to my instructions.

E: Where do you shop?

A: Regionally. Or at the supermarket, depending on the time!

E: How do you shop for diapers or toys? Online or in the store?

A: More like regionally in the store. That's where Dad tends to fall for Amazon. Since the temptation is great, and you just get a lot. But I like to see it beforehand, like books. Attacking and stuff.

E: OK. What is important to you in Fabian's diet?

A: Possibly low in pollutants, especially in the 1 year of life. Where the development, the biggest growth takes place. That it is balanced. That it is sufficient in iron. Fish for the good fats. Avocado, for example, is very easy to eat. Unfortunately not regional. But soft and good.

E: You look at the ecological footprint. Is meat an issue for you? What is your position on this?

A: Basically we are on the way of the food pyramid. Main meals in the week, 2-3 times meat, 1-2 times fish, otherwise rather vegetables. With the snack we are not yet so consistent. Still more potential to less sausage. But the dad is not yet quite so for it. Will look, but for Fabian there is no sausage in the 1 year of life.

E: OK. Sounds good, you've put a lot of thought into it. What is important to you with the packaging?

A: That there is little packaging material. Or that it is recyclable. But that's one thing, because you also have to look at the environment. Because everyone buys milk in a bottle now. But that also has to be cleaned, is inefficient for the environment. I think it is better to buy the packer milk. Does not have to follow every trend. Just because retro, some things dazzle you.

E: This topic is very difficult. Tetra Pack has fallen into disrepute.

A: Yes, people prefer to buy the cucumber without packaging, because the packaged cucumber lasts longer. Would then be better for the food. Since less food is wasted. The transport way must however also still consider becomes. So complex this topic.

E: Yes, you are right. Is a difficult topic. A lot has already been invested in marketing for the discredited Tetra Pack. Back to baby food. Would it be more important to you, baby food professionally in large quantities, with the whole process of quality assurance behind it. Or would you prefer to buy from a small organic manufacturer in your town that produces baby food?

A: I think I would have more confidence in a smaller one, or one that has to earn its reputation and can afford less. I know that Hipp also has a good quality. I have also bought jars from

Hipp, but have not opened any yet. Because when I was little, we got a lot of Hipp jars from a representative. But I have not eaten them because they have not tasted good to me. Hence the dislike. Rather not so for the ready-made food.

E: Maybe more so for the fruit offerings. Like Quetschi?

A: At the moment we are not so much on the road. When we are on the road more, I would maybe go for the convenience foods.

E: But you always find enough time to cook fresh?

A: It goes like this. It's not like we have that routine yet. Because if he doesn't eat it together, then he gets it the next day. Depending on the product, of course. Don't cook fresh for him every day. What we already take is the evening porridge. Spelt flakes we have also tried, but has caused constipation. Therefore, the ready porridge which is stirred with water.

E: Is the quality with ready porridge also very high. Not much better if you make it yourself. Cereal flakes are yes also from the last harvest. Therefore, no longer quite so fresh. We have therefore switched to oatmeal or muesli with our children. What would you consider fresh baby food?

A: Phew, I don't know what you can still declare as fresh from the shelf life? I myself have it now for a maximum of 2 days. Is for me my limit. Then too old, then he no longer gets it when I cook. But if you now in a different environment, the sterile prepared. Then you probably have 4-5 days, but quite more is then also no longer fresh.

E: OK. For you, fresh is from the time it is produced. Would then still 2 days, maximum 1 week be called fresh? Makes sense too, because everything above that has to be preserved. If you were to buy freshly prepared food in the supermarket, where would you expect to find it?

A: There is no such thing in this sense. Because, the jars are highly pasteurized and on the drying shelf. Fresh would have to be in my eyes already in a refrigerated display case.

E: Yes hasst right, I would assume also in the refrigerated shelf. Otherwise it would be a contradiction. In Switzerland there is a company that advertises that they make fresh baby food and of course they are refrigerated. And you find them next to the other baby food.

A: Which of course is another thing for outings, then you have to think, can they take it with them like that when it's supposed to be refrigerated.

E: Yes that's right. How long you are on the road and how warm it is in the backpack.

A: There I do myself with my own produced baby food easier.

E: Is there anything that bothers you about the current market. Or what you miss about baby food?

A: Yes. I would have looked to see if there was anything in Snake Cucumbers. Because Fabian likes them so much. Or looked for a similar offer. But not found. Now we have tried millet sticks, but they stick so, and are very dry. Cucumbers are juicy and they are just good for him. Has it then indeed everywhere, behind the ears in the hair.

E: Yes, you find the food then everywhere. Thanks for the time. I'm through with my questions now. It's clear that you've been very intensively involved with the topic of baby food.