



Exercise 4f.1: Freshwatching

Estimated time requirement: 60 minutes

Introduction

Freshwatching is an ideation technique that was developed in the Netherlands and serves to get a fresh look at existing business models. How it usually works is that you take the business model of your own company and mix and match, or overlay it with the business model(s) of another company which can be outside your business or industry in order to generate new ideas and perspectives.

We want to use the Freshwatching exercise in a slightly different way: we want to utilise it in order to have a fresh look at existing business models through our circular economy (CE) goggles, and identify possible entry points for change. We will take the existing business model of the Indian Indian restaurant aggregator and food delivery start up *Tomato* and apply typical CE business model entry points in order to see how things would possibly change.

Background

The business model of the Indian “*Tomato*” (see table 1) is to provide a seamless online ordering, payment and table booking service. Customers can get food delivered from the restaurant of their choice to their home or any other place. Tomato runs a subscription/premium programme in selected cities offering promotions and complimentary food. In addition, the company provides comprehensive information about restaurants, menus, ratings, etc. and offers promotions for restaurants.



The key customer base of tomato comprises users who look for restaurants of various cuisines and who like to try new restaurants. Typically, its users prefer home delivery or eating out. On the supply side, Tomato engages with restaurants who want to advertise their services and do not have a delivery service on their own. For more information, please refer to the business models canvas in table 2 below.

which we you can see in the business model canvas chart below. As a recap, the business model canvas portrays a business model in its single components describing its overall value proposition.

Once we had a look at the business model and have und erstood the value creation of Tomato, we then look at Circular Economy models, such as sharing platforms, product as service, cascade use, power of the inner circle, etc. and brainstorm possible entry points of these business models into our existing one.

Structure of exercise

Part	Task	Time
1	Form groups of 3-5 people. Examine in table 1 below in order to understand <i>Tomato</i> ’s business model. Discuss questions regarding <i>Tomato</i> ’s business model within your group.	15 min
2	Brainstorm potential CE entry points to the business model within your group. For starters, you can find inspirations in questions such as: <ul style="list-style-type: none"> • What else could you offer to customer segments? • Are there other customer segments that you could address? • What other ways are there to generate revenue streams (e.g. subscriptions, etc.)? 	15 min



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	<ul style="list-style-type: none">• What else could you leverage with your existing channels?	
3	After the brainstorming, pick the two ideas that you like best and do a quick thought experiment as to how this change in Tomato's business model would affect other areas, such as key resources, partners, cost structure or revenue flow. Capture your findings in table 2 below.	15 min
4	Share and discuss your ideas and thoughts with the other group(s).	15 min



Table 1: Tomato business model canvas

Offer	
Value proposition	<ul style="list-style-type: none">• Online ordering, payment and table booking service• Deliver food from the restaurant of your choice to your home or any other place• Subscription/premium programme in selected cities offering promotions and complimentary food• Information about restaurants, menus, ratings, etc.• Promotions for restaurants, etc.
Customer segments	<ul style="list-style-type: none">• Users who look for restaurants of various cuisines and who like to try new restaurants• Users who prefer home delivery or eating out• Restaurants who want to advertise their services• Restaurants who do not have their own delivery service
Relationships customers/partners	<ul style="list-style-type: none">• Partnerships and close network of restaurants• Customers• (Delivery) staff
Value creation & delivery	
Key activities	<ul style="list-style-type: none">• Creating and managing technology infrastructure• Coordination, order and payment platform for food• Managing logistics to process orders• Delivery
Key resources/capabilities	<ul style="list-style-type: none">• Interactive technology platform• Big network & and good partnerships with restaurants• Large database of users• Subscription customers• Delivery personnel



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Key partners	<ul style="list-style-type: none">• Restaurants• Drivers
Channels	<ul style="list-style-type: none">• Mobile application• Website
Value capture	
Costs	<ul style="list-style-type: none">• Technology setup & maintenance• Fixed costs (e.g. salaries, office rent, etc.)• Fuel expenditure• Vehicle fleet (bicycles & motorised vehicles)• Advertising/promotions
Revenue flows	<ul style="list-style-type: none">• Restaurants pay commission• Customers pay premium• Advertising / marketing



Table 2: Exercise template

Offer		Circular intervention possibilities
Value proposition	<ul style="list-style-type: none"> • Online ordering, payment and table booking service • Deliver food from the restaurant of your choice to your home or any other place • Subscription/premium programme in selected cities offering promotions and complimentary food • Information about restaurants, menus, ratings, etc. • Promotions for restaurants, etc. 	<ul style="list-style-type: none"> • Sell recyclable / biodegradable / reusable packaging to partner restaurants • Provide pick-up service for used packaging either for recycling or reuse • Provide more information about serving sizes of individual restaurants to reduce food waste • Add a section where restaurants can offer food that is about to expire at a cheaper price, e.g. fresh baked bread (similar to too good to go app) • Offer to restaurants to promote more about the way how they do business, e.g. sourcing of organic food, measures against food waste, etc.
Customer segments	<ul style="list-style-type: none"> • Users who look for restaurants of various cuisines and who like to try new restaurants • Users who prefer home delivery or eating out • Restaurants who want to advertise their services • Restaurants who do not have their own delivery service 	<ul style="list-style-type: none"> • Target environmentally aware consumers that do not order food frequently because of waste it produces • Offer preferential treatment to restaurants using organic food, use biodegradable packaging, etc.
Relationships customers/partners	<ul style="list-style-type: none"> • Partnerships and close network of restaurants • Customers • (Delivery) staff 	<ul style="list-style-type: none"> • Partner with packaging providers • Use close connection to customers (e.g. subscription customers) to offer take-back/reuse scheme of packaging
Value creation & delivery		
Key activities	<ul style="list-style-type: none"> • Creating and managing technology infrastructure • Coordination, order and payment platform for food • Managing logistics to process orders • Delivery 	<ul style="list-style-type: none"> • Take over packaging of food • Offer own “Zomato” food that comes in reusable food containers



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Key resources/capabilities	<ul style="list-style-type: none">• Interactive technology platform• Big network & and good partnerships with restaurants• Large database of users• Subscription customers• Delivery personnel	<ul style="list-style-type: none">• Change entire vehicle fleet to bicycles or electric motorized vehicles• Offer take-back service of packaging of subscription/all customers
Key partners	<ul style="list-style-type: none">• Restaurants• Drivers	<ul style="list-style-type: none">• Recycling companies• Packaging industries• Partner with organic food suppliers and promote use to restaurants• Partnership with organisations that provide leftover food to the poor
Channels	<ul style="list-style-type: none">• Mobile application• Website	<ul style="list-style-type: none">• Infrastructure to reuse food packaging• Build up packaging recycling infrastructure
Value capture		
Costs	<ul style="list-style-type: none">• Technology setup & maintenance• Fixed costs (e.g. salaries, office rent, etc.)• Fuel expenditure• Vehicle fleet (bicycles & motorised vehicles)• Advertising/promotions	<ul style="list-style-type: none">• Cost for new infrastructures
Revenue flows	<ul style="list-style-type: none">• Restaurants pay commission• Customers pay premium• Advertising / marketing	<ul style="list-style-type: none">• Offer discounts to customers who use their own cutlery, napkins, condiments, etc.• Offer discounts to restaurants that use biodegradable packaging• Increased premiums from restaurants that now save on packaging material