

# CloudKitchens

## The ultimate guide to ghost kitchens webinar

Monday, November 6th

- How ghost kitchens work
- Ghost Kitchen profitability
- How to get started



# Speakers



**Rosana Gambino**  
Channel Sales Manager

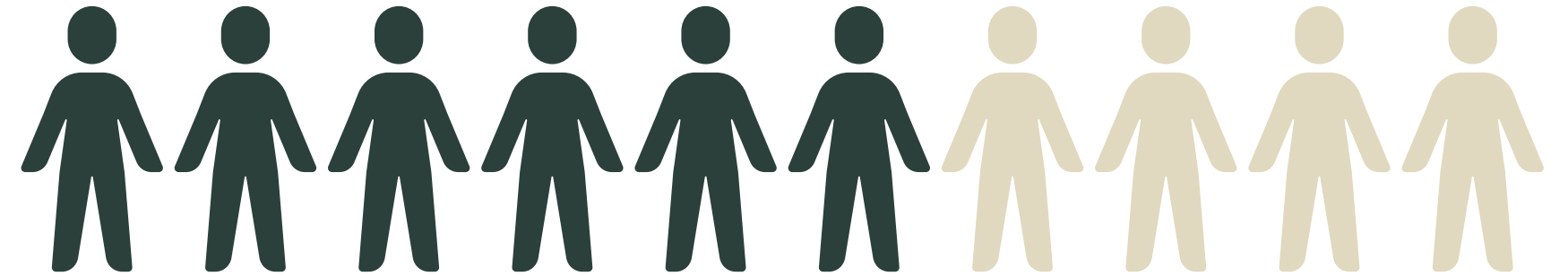


**Colleen Salpini**  
Sales Manager - Virginia

# The rise of ghost kitchens

As of 2022

6 in 10



adults claim that they're more likely to order  
delivery than dine-in<sup>1</sup>



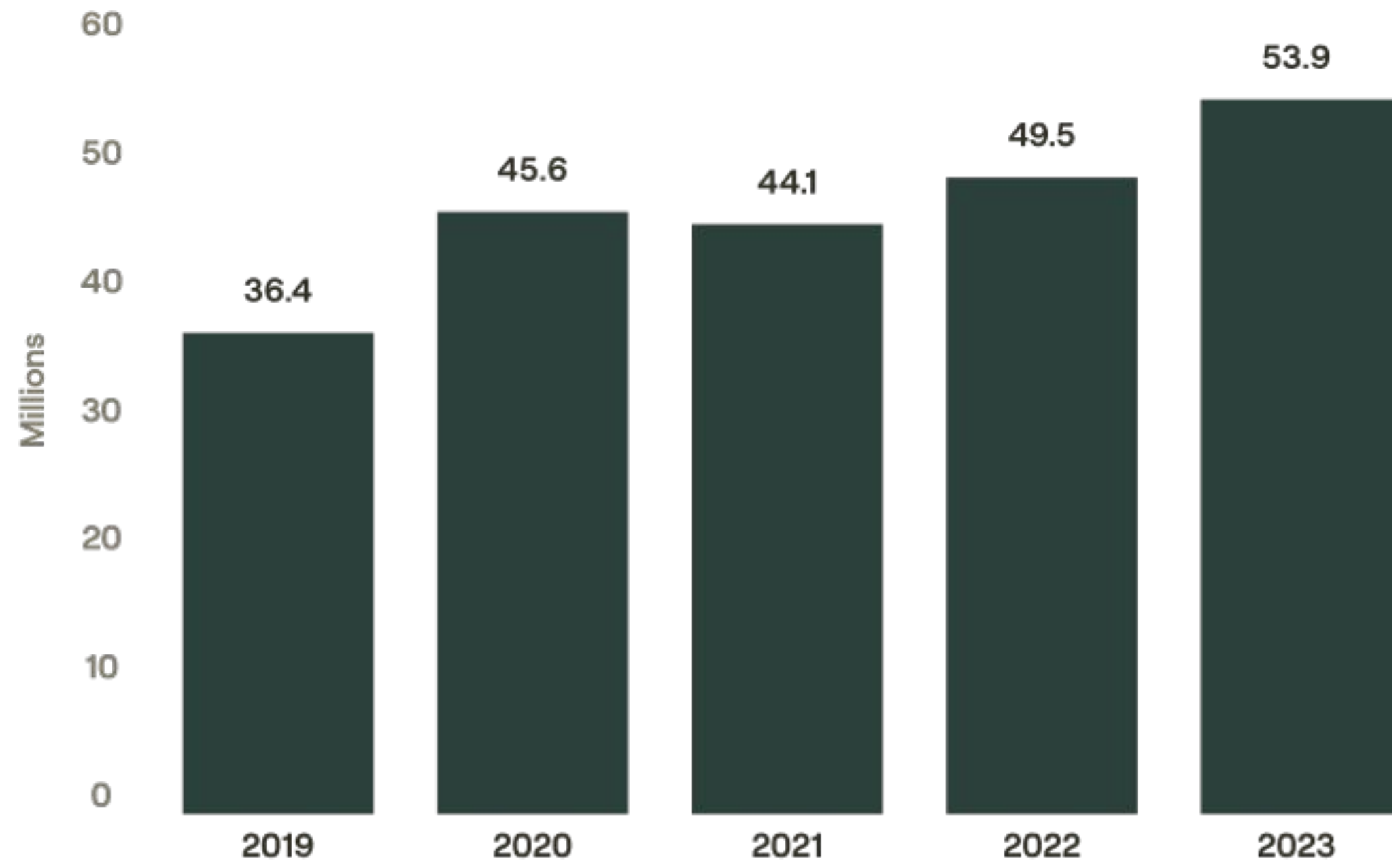
Up to

31%

of consumers use third-party delivery services twice a week<sup>2</sup>



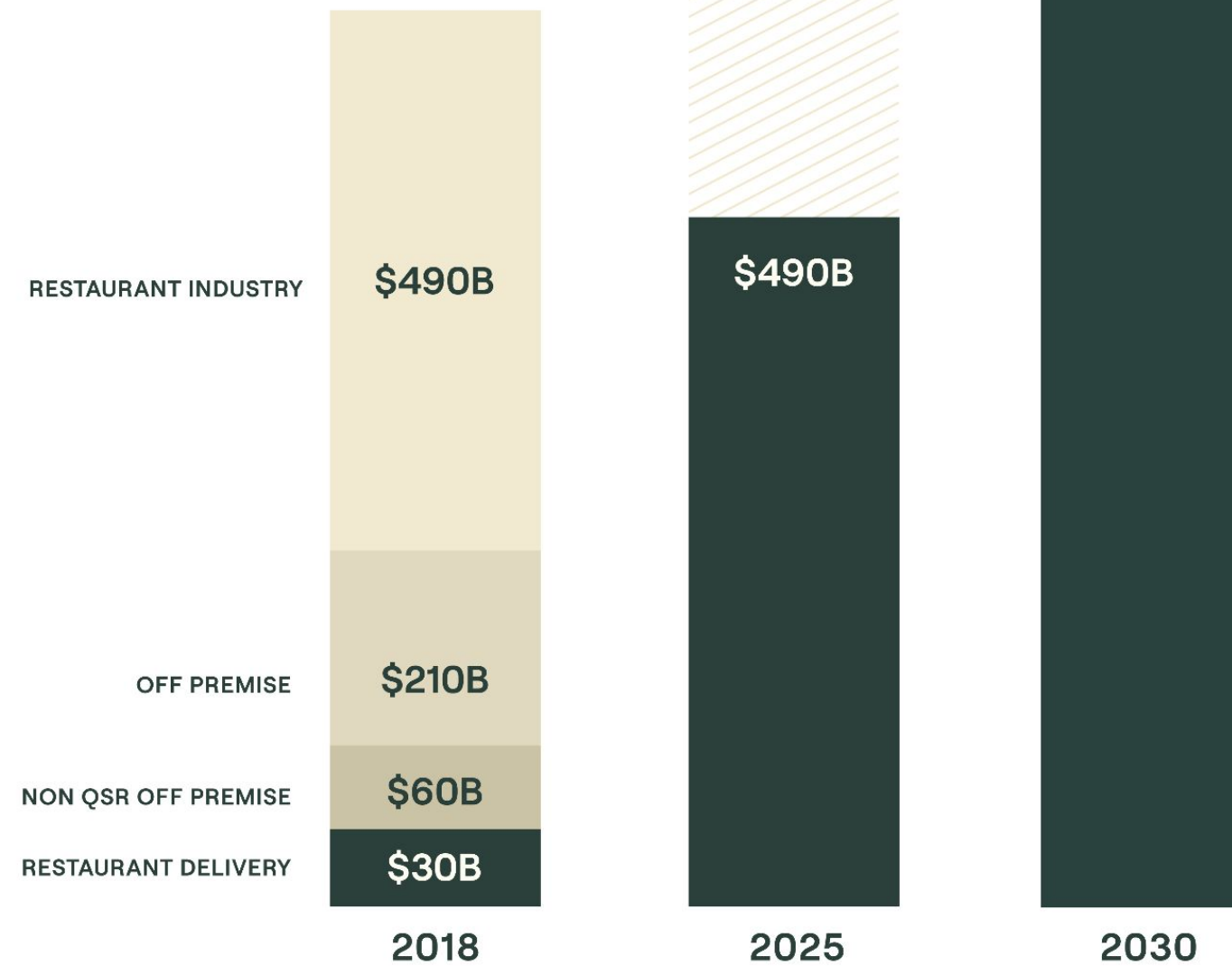
# Number of food delivery app users in the U.S.



# Ghost kitchens are here to stay

# \$1T

projected delivery growth by 2030<sup>4</sup>



\$1T is equivalent to 33.3B delivery orders!<sup>1</sup>

# Ultimate guide to ghost kitchens



# Take a look behind the kitchen door



01

## What is a ghost kitchen?

Get the inside scoop on commercial kitchens built for delivery

02

## How ghost kitchens work?

Understand how ghost kitchens work and function

03

## Different types of ghost kitchens

Learn about the different types of ghost kitchens and how they work

04

## Getting started with a ghost kitchen

Learn what steps are needed to get started in your very own ghost kitchen

05

## Virginia CloudKitchens

Dive into the demographics and details of our locations in Virginia

01

# What is a ghost kitchen?

# What are ghost kitchens?

## Kitchens built for delivery and pickup orders

- Think of it as a restaurant kitchen operating as a digital storefront, with a few back-of-house staff members working on fulfilling online orders.

## Locations near high volumes of delivery orders

- Ghost kitchens are often located near high concentrations of online delivery demand.

## Tech-enabled spaces

- Instead of a physical location, your presence is digital, allowing you to reach more customers than you ever could with just a physical location.



# How do ghost kitchens work?



# How do ghost kitchens work?

## Launch a ghost kitchen in weeks

- Open a ghost kitchen fit with basic equipment so you can customize it to your needs.

## Set up delivery tech

- Since your business is digital, you'll want to have your delivery tech setup to start managing incoming orders on delivery apps.

## Get cooking to more hungry customers

- Once you accept each new order, you're able to start cooking with just a few back-of-house staff members.





# What are the different types of ghost kitchens?

# What are the different types of ghost kitchens?



## Commissary kitchens

With commissary kitchens, you have dedicated space to prep your food and distribute it out to your different locations. You get a shared kitchen space that's available to rent based on your schedule, which makes it flexible to your needs.



## Commercial kitchens

Commercial kitchens are larger, industrial kitchens that are licensed to restaurant brands and catering companies to prepare food. With a commercial kitchen, you're set up with your own private kitchen space.



## Incubator kitchens

Incubator kitchens, also known as pop-up kitchens, are temporary kitchens that are attached to a brick-and-mortar restaurant, within a food truck or even a kiosk.



## Kitchen pods

Compared to other types of ghost kitchens, kitchen pods are easy to transport between locations such as parking lots and behind restaurants. These usually come in the form of shipping containers used as flexible kitchen space.

# How to start your business in a ghost kitchen

# How to start your business in a ghost kitchen

## A 7-step checklist

- Select a facility and equipment
- Staff your kitchen
- Establish marketing strategies
- Set up POS and delivery software
- Check inventory
- Purchase insurance for your business
- Secure the proper licenses and permits



# Select a facility and equipment

## Set up a delivery-only property on your own

- Depending on your specific restaurant needs, you can explore a variety of kitchen spaces to fit your cuisine type.

## Select your equipment

- Ghost kitchens are plug and play, making it easy for you to adapt the space to your specific cuisine or concept.





# Staff your ghost kitchen

## Identify each role on your team

- Once you identify your menu, scale, and operating hours, you'll need to identify which roles are essential at an employee level and which roles can be outsourced.

## Determine the headcount you need

- Many ghost kitchens may only need to operate with 2 or 3 employees, versus the 25 or more needed in a physical location.



# Establish marketing strategies

## Logo

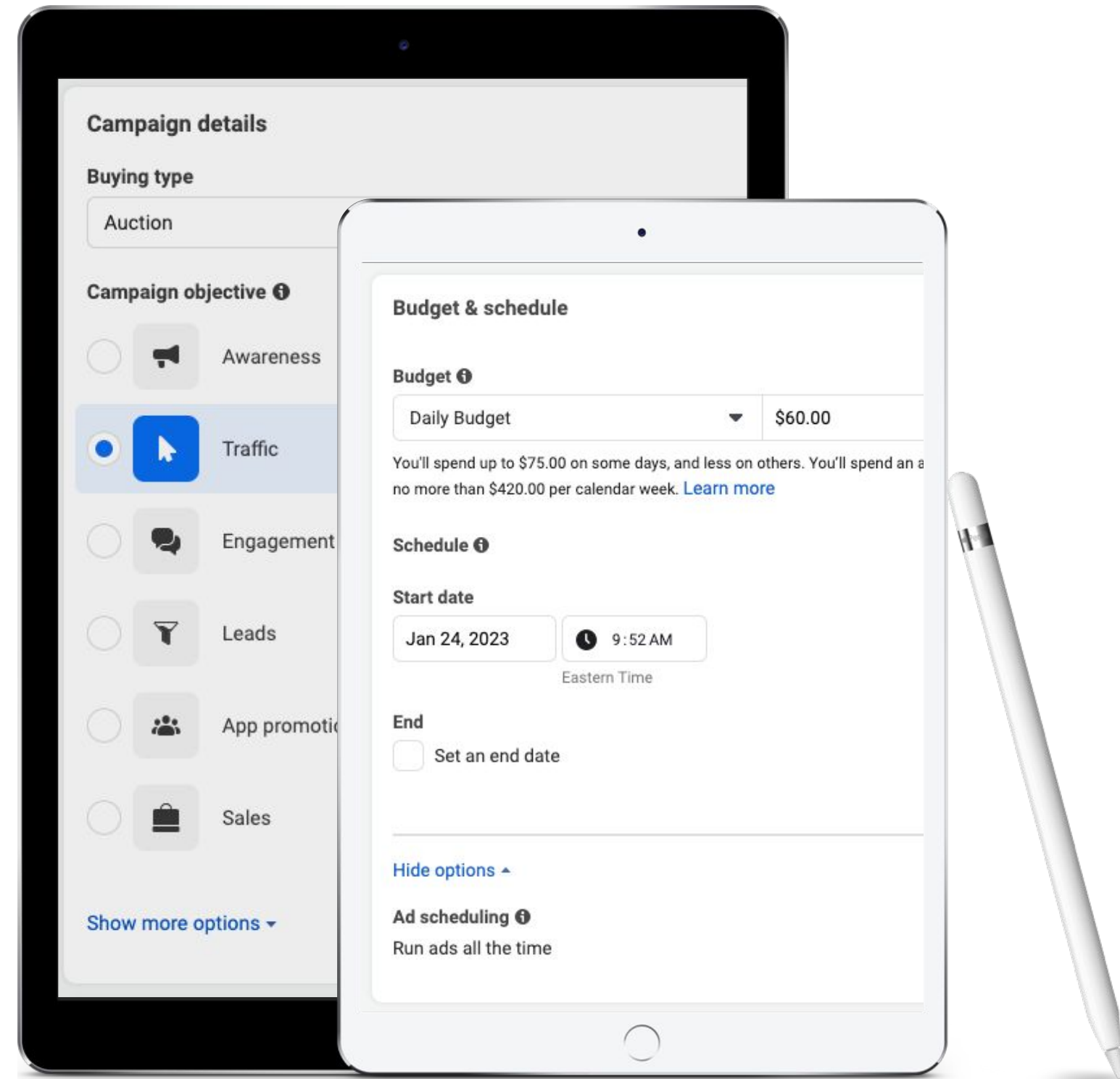
- You can find low-cost, quality logos on gig websites that offer designers if you shop carefully or go with a full-service design agency at a higher price tag.

## Online presence

- If you have extra capital to spend, look for a web designer with expertise in search engine optimization, mobile-first design, and creating an easily navigable interface and menus

## Photography

- Don't skimp on commissioning a suite of high-quality photos and short videos, particularly for photos of your food.





# Set up POS and delivery software

You'll want a single cloud-based platform to handle your ordering and delivery management. Be sure to look for:

## Real-time kitchen display systems

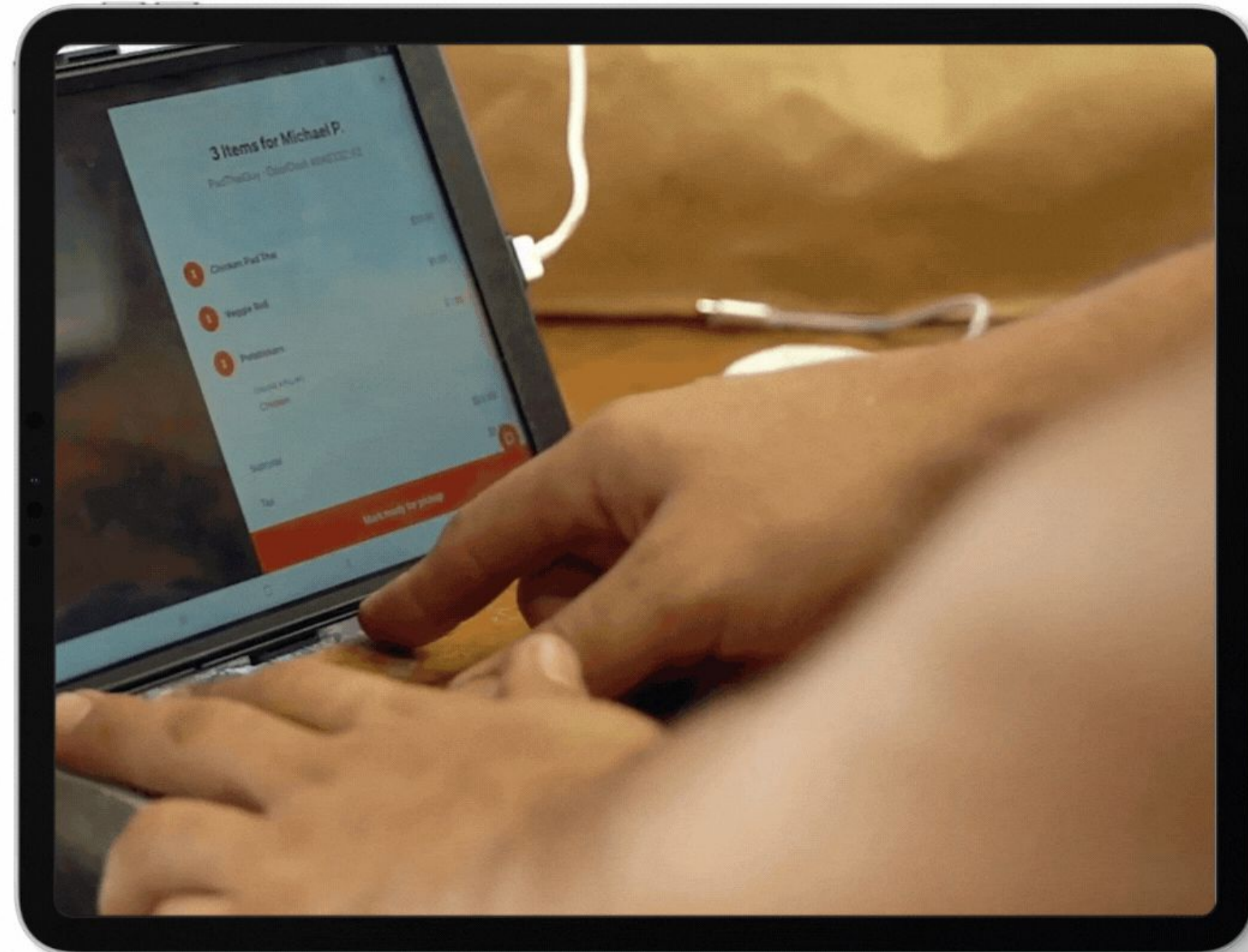
- This will help you track incoming orders as soon as they're placed so your restaurant is working at max efficiency.

## Data analytics and insights

- Delivery software that provides insights on your online orders can help you understand which menu items to keep and which to 86.

## Tracking and reporting

- Having these additional resources will allow you to decrease your delivery times.





# Check your restaurant inventory

## Review inventory best practices

- Review your inventory practices against customer habits to reduce overbuying.

## Maintain control over food storage

- Mitigate food waste (and subsequent dollars wasted)
- Forecast supplies needed based on past demand trends

## Implement daily specials

- Using daily specials and menu options can help avoid food waste.





# Purchase insurance for your restaurant business

## Employers insurance

- Since you're not serving customers on-site, you'll likely pay less than a brick-and-mortar restaurant in insurance costs, but you'll still have employees working with fire, knives, and slippery floors.

## Public liability insurance

- Work with an insurance agent who is familiar with virtual businesses to identify the types of amounts of insurance you need to protect your business without overpaying.





# Secure the proper licenses and permits

## Business designation and state registration

- Will you act as a sole proprietor, a partnership, a limited liability company (LLC), or a C corporation? LLCs are usually the go-to designation for ghost kitchens.

## State business registration costs

- Can be as little as \$10 - \$100 for a DBA (Doing Business As) name and can be up to hundreds depending on location and organizational structure.

## Business license

- You may need an annually renewable license to operate your business locally.

## Food handling permit

- Required in most locations by the local health department.



# CloudKitchen Facilities in Virginia



/ CloudKitchen Facilities in Virginia



**2812 W Broad St,  
Richmond, VA**



**1033 W Glebe Rd  
Alexandria VA**

**2000-2018 5th Street NE,  
Washington, D.C.**





/ 2000-2018 5th Street NE, Washington, D.C.

# Demographics/ points of interest

## DEMOGRAPHICS - WITHIN 15 MIN DRIVE

Residents 270,772

Workers 419,981

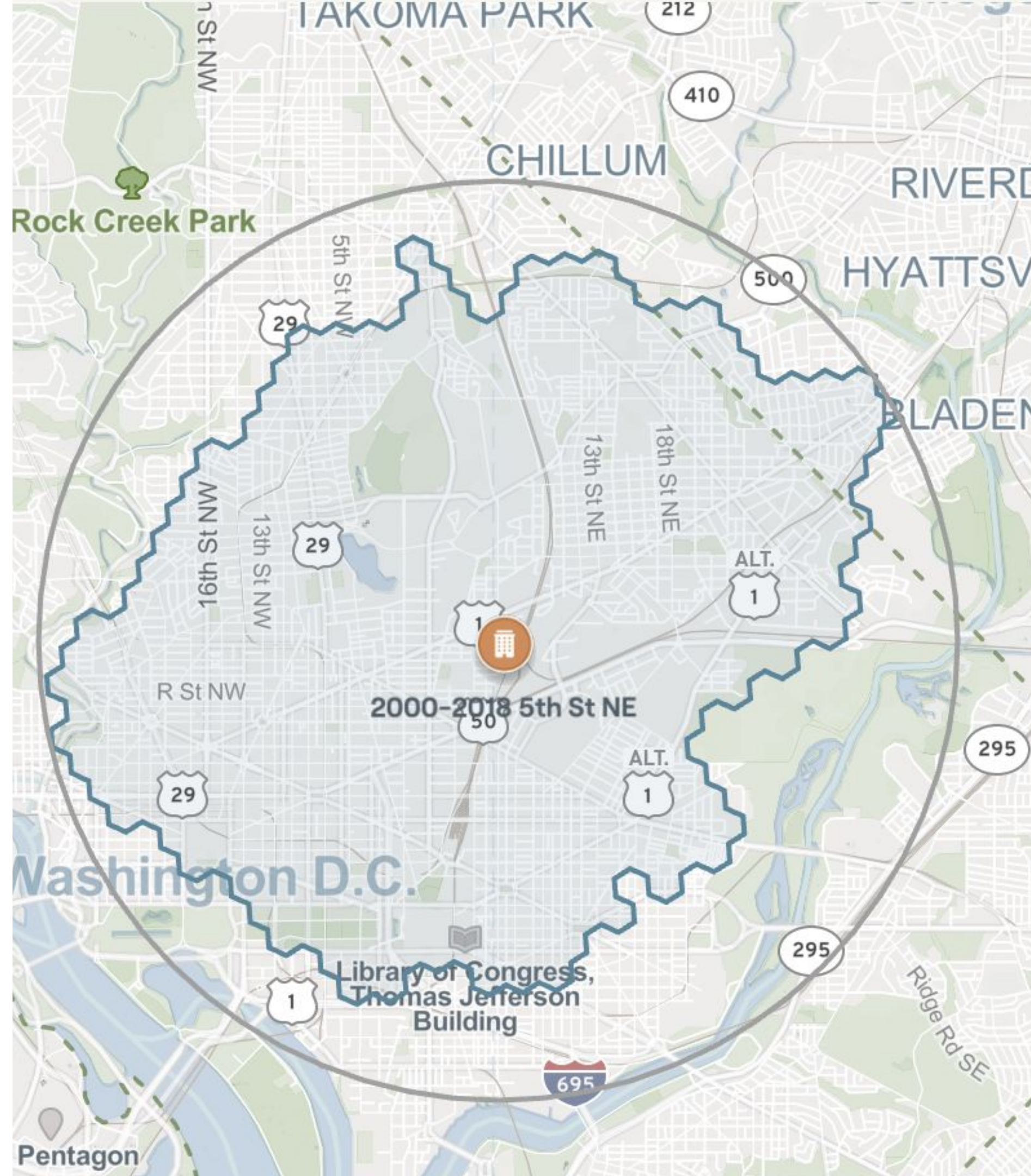
Students 31,944

Households 119,805

Avg. household income \$84,000

Median age 34 yrs.

Our Ivy City facility is centrally located near a high density of both student/university eaters as well as large pool of middle class workers who commonly order food delivery





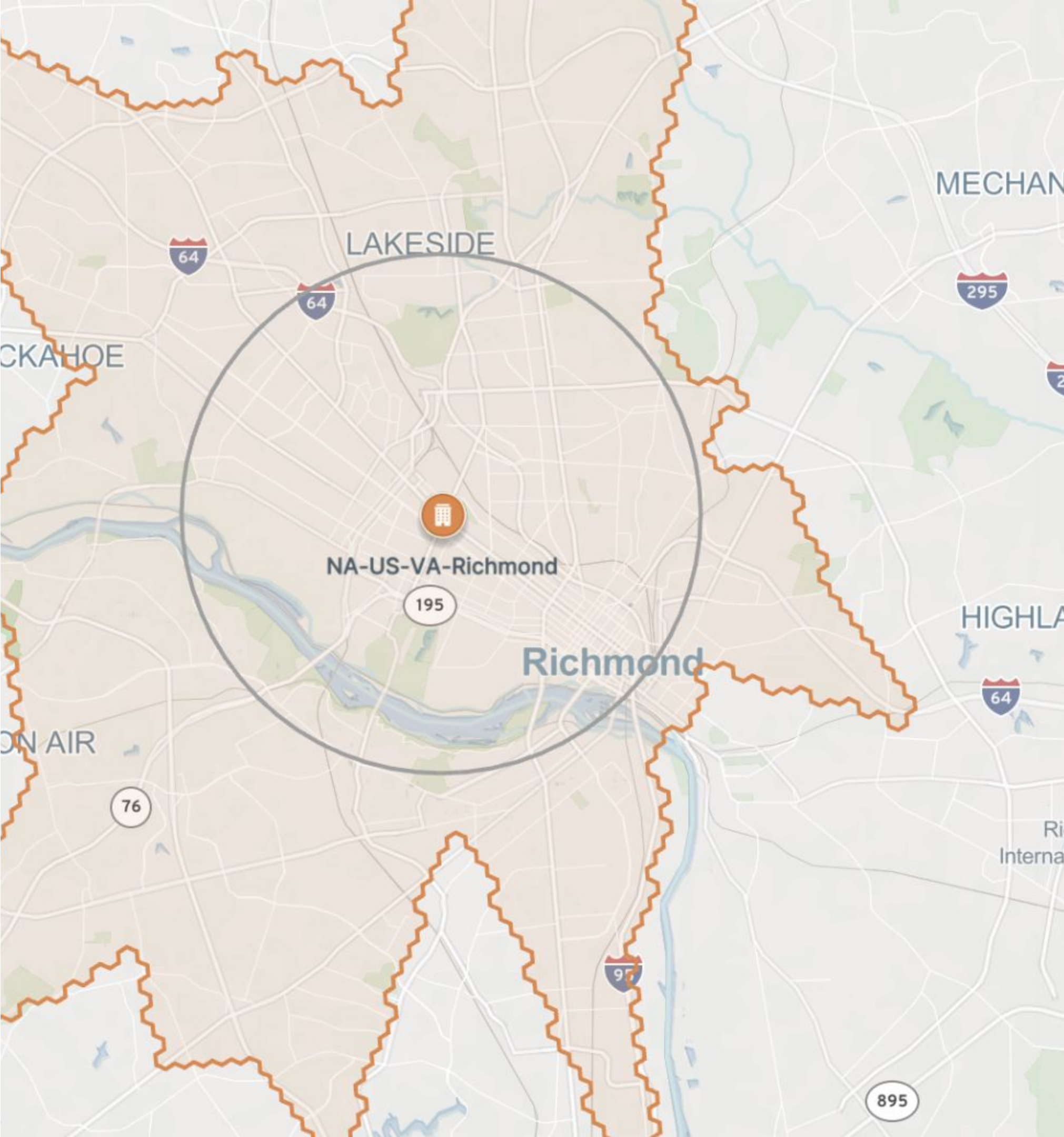
/ 2812 W Broad St – Richmond, VA

# Demographics/ points of interest

DEMOGRAPHICS - WITHIN 15 MIN DRIVE

Residents	309,210
Workers	260,965
Households	126,020
Avg. household income	\$46,840

Our Richmond facility is centrally located near a high density of both student/university eaters as well as large pool of middle class workers who commonly order food delivery



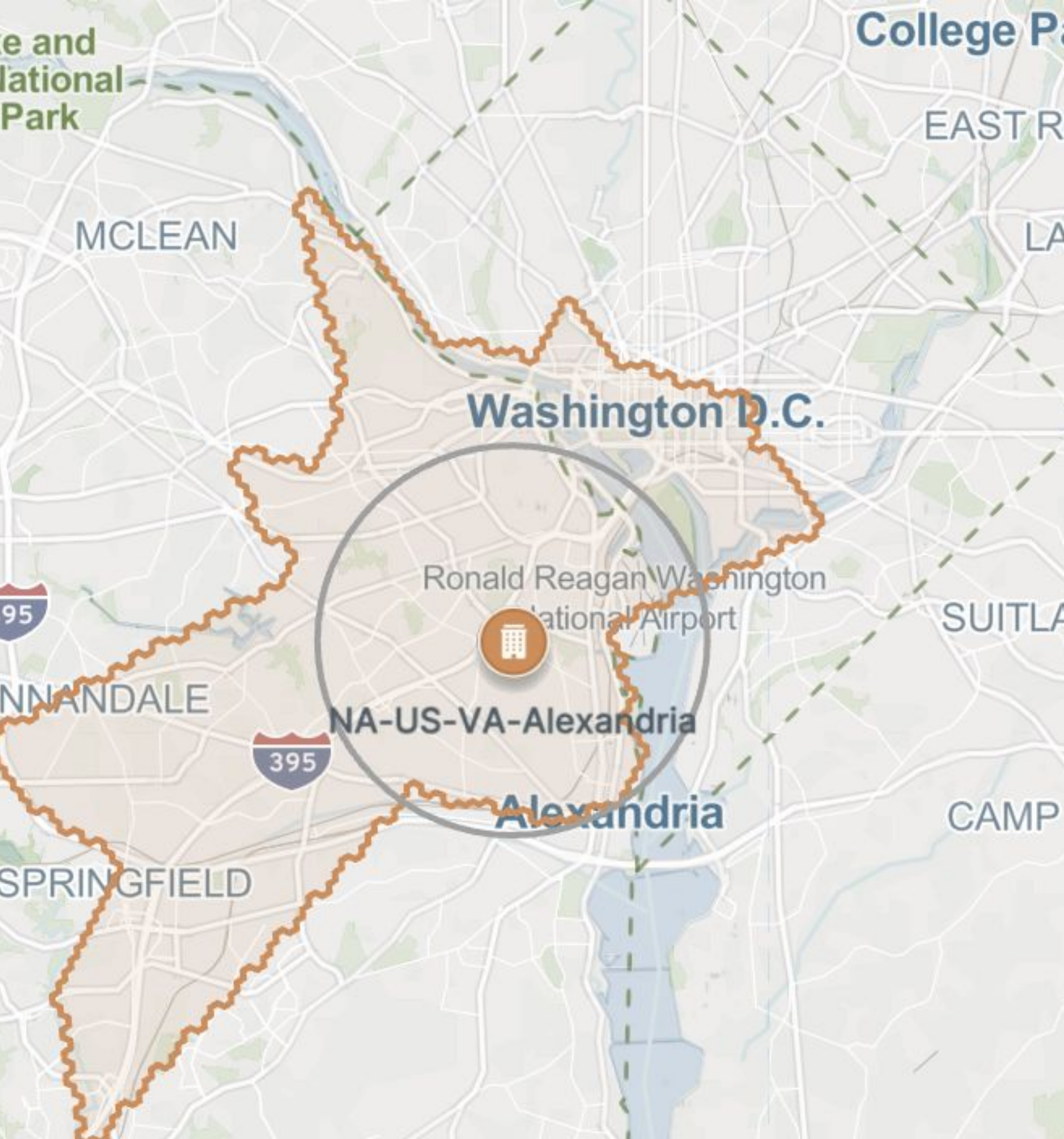


/ 1033 Glebe Rd, Alexandria, VA

# Demographics/ points of interest

DEMOGRAPHICS - WITHIN 15 MIN DRIVE

Residents	529,255
Workers	668,781
Students	46,172
Households	226,223
Avg. household income	\$95,200
Median Age	35













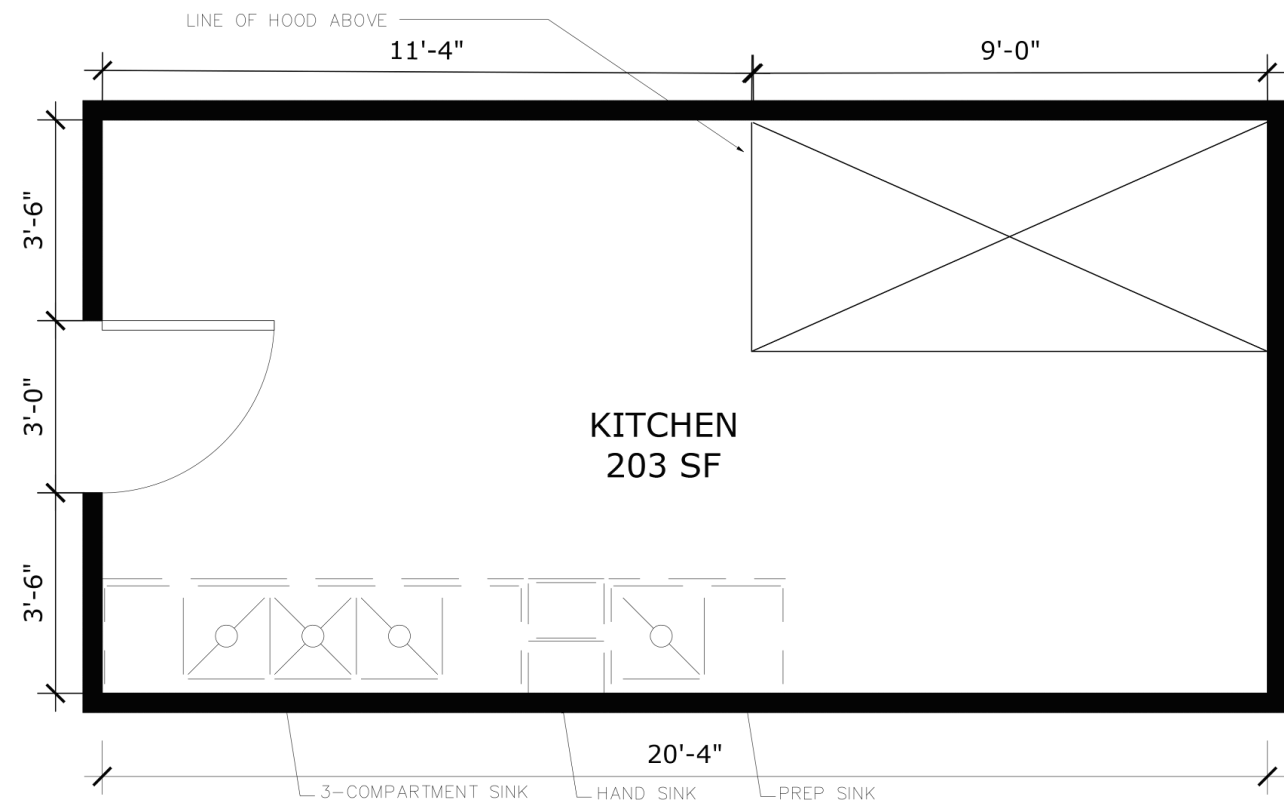








# Kitchen specs



Typical square footage and individual kitchen layout may differ due to site conditions & adjustments made during construction.

Final finishes, materials, and furniture subject to adjustment.

## LAYOUT

Size	200 sqft
Ceiling height	9'-0"
Corridor width	Min. 5'-1"
Equipment provided	1 x 3 Compartment sink 1 x Prep sink 1 x Hand sink 1 x Type 1 hood
Additional storage	Rentable cold & dry storage

## FINISHES

Walls	Painted, water based epoxy Semi-Gloss Finish
Ceiling height	Ceiling Tile, 2' x 2' Square, White
Floor	Sealed concrete
Lighting	LED flat panel (2'x2')
Power	Minimum 5 dedicated 120v outlets

# Questions?



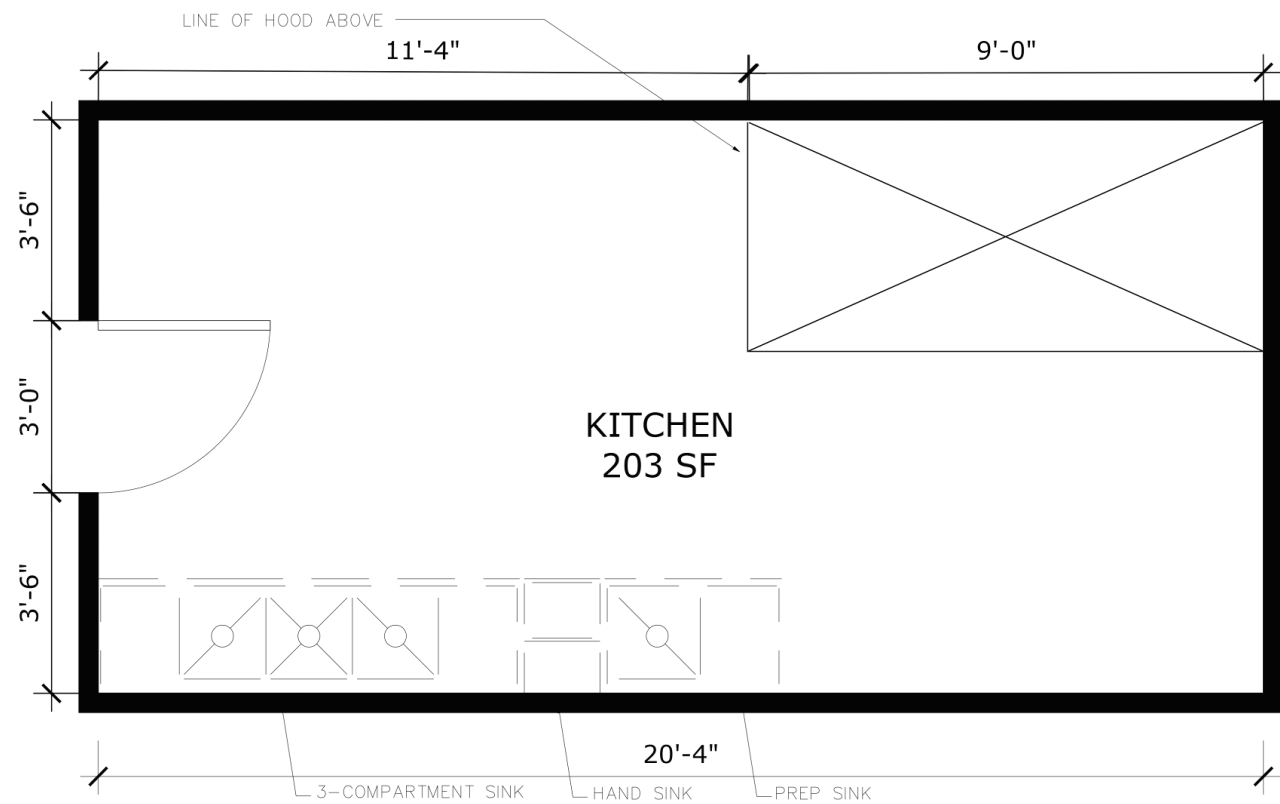
# How do I overcome commissions on delivery platforms?

# Is equipment provided in a CloudKitchens space?





# Kitchen specs



Typical square footage and individual kitchen layout may differ due to site conditions & adjustments made during construction.

Final finishes, materials, and furniture subject to adjustment.

## LAYOUT

Size	200 sqft
Ceiling height	9'-0"
Corridor width	Min. 5'-1"
Equipment provided	1 x 3 Compartment sink 1 x Prep sink 1 x Hand sink 1 x Type I hood
Additional storage	Rentable cold & dry storage

## FINISHES

Walls	Painted, water based epoxy Semi-Gloss Finish
Ceiling height	Ceiling Tile, 2' x 2' Square, White
Floor	Sealed concrete
Lighting	LED flat panel (2'x2')
Power	Minimum 5 dedicated 120v outlets













# What does it cost to open a CloudKitchen?



# Economics that change everything

INVESTMENT & EXPANSION	TRADITIONAL RESTAURANT	CLOUDKITCHENS
Up-front investment	\$300K - 1M+	As little as <b>\$30K*</b>
Space required	2000 sq.ft. at expensive zip code	<b>~200–300 sq.ft.*</b> in the same area at low cost, low traffic address
Staff required	30 employees, many dedicated to front-of-house	<b>~2-3 employees*</b> We supply order runners, handoff staff, and more
Time to market	1 location in 12 months 10 locations in 5-10 years	<b>Launch in weeks, not months*</b> As many as 20-30 locations in 1 year
Breakeven	5 years	<b>As little as 6 months*</b>

\*Varies based on local permitting and operational complexity

# Thank you!

