

Report On  
“Financial Strength and Growth Strategies for Munchies Deliveries  
Ltd. in the Competitive Food Delivery Market of Bangladesh”

By

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Student ID: 16304168

An internship report submitted to the Brac Business School in partial fulfillment of the  
requirements for the degree of  
Bachelor of Business Administration

Brac Business School  
Brac University  
October 2023

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## Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

**Student's Full Name & Signature:**

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**Md. Tanvir Anjum**  
Student ID: 16304168

**Supervisor's Full Name & Signature:**

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**Riyashad Ahmed**  
Assistant Professor of Finance  
Director of Programs (MBA & EMBA)  
BRAC Business School  
BRAC University

## Letter of Transmittal

Date: 13<sup>th</sup> January, 2024

Riyashad Ahmed

Assistant Professor of Finance

Director of Programs (MBA & EMBA)

BRAC Business School

BRAC University

66 Mohakhali, Dhaka-1212

Subject: Submission of Internship Report

Dear Sir,

I would want to use this time to express my gratitude for your direction and assistance throughout this report. Without your help, it would not have been possible to finish. It gives me great pleasure to present my internship report, "Financial Strength and Growth Strategies for Munchies Deliveries Ltd. in the Competitive Food Delivery Market of Bangladesh" to which I was assigned by your direction.

During my internship period in Munchies, I worked for Minhajul Abedin Afnan, Business Development Executive to achieve the objective of this report. I gained practical knowledge and experience during the internship program, and the experience of writing a report will be useful in my future professional life.

Sincere apologies for any errors that occur despite my best efforts, and I would appreciate hearing your thoughts and feedback on the report. I've done my best to finish the report with the most important information and suggestions in the most compact and comprehensive way feasible. I trust that the report will meet the desires.

Sincerely yours,

---

Md. Tanvir Anjum

Student ID: 16304168

BRAC Business School

BRAC University

## Non-Disclosure Agreement

This agreement is made and entered into by and between Munchies and the undersigned student at BRAC University

### **Student's Full Name & Signature:**

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Md. Tanvir Anjum  
Student ID: 16304168  
BRAC Business School  
BRAC University

### **Supervisor's Full Name & Signature:**

---

Minhajul Abedin Afnan  
Business Development Executive  
Munchies

## Acknowledgement

It gives me great pleasure to state that preparing this report on the "Financial Strength and Growth Strategies for Munchies Deliveries Ltd. in the Competitive Food Delivery Market of Bangladesh" was a highly educational experience for me. I've learned a lot on this adventure. I was able to complete this internship report on the blooming startup, Munchies, with the correct combination of enthusiasm and hard effort.

My internship instructor in BUS400 assigned me to write a report on "Financial Strength and Growth Strategies for Munchies Deliveries Ltd. in the Competitive Food Delivery Market of Bangladesh" as part of my Bachelors of Business Administration degree requirements. I'd like to express my heartfelt gratitude to Mr. Riyashad Ahmed, Assistant Professor of Finance & Director of Programs (MBA & EMBA) at BRAC Business School, BRAC University, for his invaluable support and supervision during my academic career and during my internship. With the utmost respect, I'd like to point out that his dedication to providing his pupils with the requisite skills and proficiencies reaches far beyond his obligations as a professor.

In addition, I'd like to thank my boss, Mr. Minhajul Abedin Afnan, as well as all of my coworkers for their support and assistance during my time at the company. The people I worked with were extremely welcoming and eager to point me in the correct way as I learned about the many divisions and activities of the organization. I truly feel that without their generous aid, it would be quite difficult for me to complete my internship procedure at Munchies.

## Executive Summary

All the individuals graduated from BRAC Business School are allowed to implement the theoretical knowledge they acquired from a number of organized courses offered by this program. This valuable knowledge is applied and demonstrated initially through a lot of different course activities such as assignments and term papers, followed by a semester-long internship. Following the completion of an internship, we are required to submit a detailed report describing our tasks during the internship period. My internship at Munchies, a food delivery startup, has ended.

The internship report highlights my three-month internship at Munchies. The report was written to fulfill the criteria for graduating from BRAC University. To begin, the report details my responsibilities and experiences as an intern in Munchies, as well as how they contributed to the success of my internship. The next section is a summary of Munchies's organizational structure, including its vision, goal, functional practices, and how it falls within Bangladesh's existing food delivery industry. The topic of the report is an investigation and findings on Munchies's financial health, assets, and how it is helping overall organizational growth. Lastly, the paper includes some reflective suggestions that may play a role in improving the company's overall efficiency. The purpose of this study is to improve one's knowledge and comprehension of how a dynamically growing SME like Munchies functions and survives in the market. I hope that Munchies continues to go forward with its new purpose and ethos for the development of the country, and that they continue to engage in more CSR activities to help the country evolve.

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## List of Acronyms

ROE	Return on Equity
ROA	Return on Asset
BHN	Buy Here Now
ERM	Enterprise Risk Management
Ltd.	Limited
CEO	Chief Executive Officer
COO	Chief Operating Officer
CMO	Chief Marketing Officer
IT	Information Technology
HR	Human Resource
MS	Microsoft

# Chapter 1: Overview of Internship

## 1.1 Student Information

**Name:** Md. Tanvir Anjum

**ID:** 16304168

**Program:** Bachelor of Business Administration

**Major:** Finance

## 1.2 Internship Information

### 1.2.1 Company Information

**Company Name:** Munchies Deliveries Ltd.

**Department:** Finance & Accounts

**Address:** 9<sup>th</sup> Floor, House-2, Road-5, Block-D, Niketon, Gulshan, Dhaka-1212

### 1.2.2 Internship Company Supervisor Information

**Name:** Minhajul Abedin Afnan

**Position:** Business Development Executive

### 1.2.3 Job Scope

I had to work for other departments within the company in addition to my own, finance and accounts, since the business is a startup. This is how working for a startup company facilitates exploring a variety of different business roles. Therefore, I have learned a lot about many company responsibilities through this scope. The following is an overview of the primary and ad-hoc job duties I have encountered.

## 1.3 Internship Outcome

### 1.3.1 My Contributions & Responsibilities in Munchies Deliveries Ltd.

My primary and secondary duties as a Finance & Accounts Intern at Munchies Deliveries Ltd. comprised the following:

**Record financial transactions:** My prime responsibility during this internship was to carefully check each financial transaction and record them in our accounting system on a regular basis.

**Cash-handling:** As we are a food delivery company, collecting cash from customers on behalf of restaurants is a key operational process and as part of the accounts team it was one my duty to carefully verify daily cash collection and organize them in the vault.

**Preparing financial statements:** I used to participate in the planning process of weekly, monthly financial statements (balance sheet, income statement, cash-flow statement etc.).

**Forecasting cost and revenue:** I participated in the forecasting of restaurant sales, placement sales and creating a budget for marketing and delivery cost was one of my key duties during this internship period.

**Generating and implementing marketing strategies:** I worked with my team to generate different and distinctive marketing ideas that highlighted the company's goods, services, deals, and special offers. To do so, I observed current trends, conducted market research, and analyzed considerable customer behavior.

**Taking Customer Feedback:** In order to learn the thoughts and opinions of our customers regarding the service, I contacted them at times. Through this, I got to know if there is any area of improvement of our service and operation and take necessary actions.

**Being in Touch with Other Departments:** To ensure a smooth and successful operation, I had to repeatedly communicate with the company's other executing departments such as Operation, Marketing and IT.

**Reporting:** I used to report to my supervisors and other acting departments of the company regarding any happening issues or concerns so that everyone is aware of the same thing at the same time and work simultaneously.

### **1.3.2 Advantages of Students**

The ways a student can be benefited by Munchies delivery Ltd. are narrated below.

**Familiarity with Corporate Culture:** Munchies offers a complete and positive corporate environment to work in by which the students can gather a valuable knowledge of corporate cultures and how it functions. It mainly includes official etiquettes, behaviors and practices like work ethics, meeting deadlines, effective communication, taking responsibilities, maintaining company's rules and regulations, accountability and so on. As a student or intern, this experience plays a great role not only in their professional life but also for their personal development.

**Exposure to Startup Culture:** Working in a startup company like Munchies offers students a great chance of exploring different job responsibilities and experiencing various business challenges side by side. To be specific, startups require employees who possess a great versatile and adaptable nature and can work on the basis of needs and requirements of the company at different times. On the other hand, sometimes, it is difficult to face different challenges because of the company's uncertain and unstable nature. Thus, it adds a new level to the bag of experience of a student intern since it teaches how to confront adversities and widens up the opportunity to settle for any relevant job role in future; rather than any specific one.

### **1.3.3 Challenges during my Internship Period**

Throughout my whole internship period at Munchies, I had to encounter a bunch of various challenges by which I have learned a lot about different work policies, adaptability, business roles and responsibilities. The following is a short brief discussion on it.

To start with, I want to mention adaptability. Apart from being a startup business, the company is built on the idea of meeting people's late-night cravings and necessities which diametrically

makes it a trendy and dynamic one. Therefore, I had to always keep myself responsive and swift accomplishing any situational demand of this fast-paced work environment. However, I have learned the valuable qualities of adaptation and flexibility with the help of this lesson.

The ever-changing market demand of this business industry was another challenge for me. The employees are always needed to stay acknowledged towards every happening trend of the time. Regarding this, I had to work a lot on market research to learn how people are accepting our services and what they want even further. And what more, since new companies emerged, it was also necessary to keep informed about them to stay ahead in this particular industry. Through this role, I acquired the knowledge of how to do market research in an effective manner and take actions based on it.

Effective collaboration and communication are one of the major learnings from my internship but it was a matter of trouble at my first-place. Being new to the team, I had to perceive the personalities, working styles, and ways of communication of every individual. Henceforth, I had to communicate effectively with my colleagues and superiors and collaborate with them to achieve a goal.

Another thing which was managing the time effectively so that I could juggle my works in a perfect manner. Since I had to keep my concern to almost every current event, it was an absolute necessity to prioritize my duties efficiently and schedule them in a timely manner. By all means, I felt that it was the most cumbersome matter to adjust for me which has taught me one of the most valuable soft skills; time management.

Lastly, I am grateful to Munchies that I had to encounter these difficulties and challenges which I needed the most to grow both personally and professionally. Defeating those challenges, I have gained a lot of experiences of different working methods, corporate culture and valuable soft skills that will afterwards work for me in the long run of my life, I believe.

#### **1.3.4 Recommendations**

For the time being, my recommendation is to provide more structure across departments and to continue to use present accounting processes and procedures. More financial planning and research are required by the company. Customer data is a valuable asset for any businesses, so



I would advise to start using it now to reach out to more customers. I would advise future interns to use their internship period not only for technical work, but also to create networks across departments through communicating effectively.

## **Chapter 2: Organization Part**

### **2.1 Introduction**

Munchies is a startup company in Bangladesh that provides late night food delivery service to individuals located in Dhaka. Moreover, it is one of the rapidly-growing business companies, offering a hassle-free online food ordering solution to individuals and also creating new revenue streams for restaurants.

### **2.2 Overview of the Company**

#### **2.2.1 Introduction of the Company**

In Dhaka City, Munchies offer a distinctive way to satisfy appetites at midnight. They traverse the entire city from 7 p.m. to 6 a.m. and from 12 p.m. to 6 p.m. in Gulshan, Banani & Baridhara (Pilot-base), delivering food and necessities in the earliest hour. They deliver unique things that aren't commonly found in other delivery services and have a large number of partners, including many restaurants.

Furthermore, Munchies wants to be the most dependable and practical delivery service for individuals who work late shifts or have a late-night snack craving. Their goal is to ensure customer pleasure and establish a long-lasting relationship with their customer base by reaching out to them with their orders whenever and wherever they are in Dhaka. Munchies is the go-to service for customers looking to indulge in tasty food and fulfill their midnight desires because of their crew of more than seventy bike delivery men who guarantee timely and quick delivery. To put it briefly, Munchies is more than just a delivery service—rather, it's a distinctive and creative way to satisfy the demands of a rapidly emerging metropolis like Dhaka.

#### **2.2.2 How It Works**

Munchies' user-friendly app, which is downloadable from the Google Play Store and App Store, has made it simple for customers to get food and necessities. Due to regulations placed by the App Store and Google Play Store, users can also place orders through the Munchies website, but only for specific prohibited commodities like cigarettes or disposable vapes. Clients may explore all adjacent restaurants, choose the delivery region they want, and create an account with just their phone number. Munchies guarantees to deliver orders to customers' doorsteps within an hour of placement, offering unmatched convenience.

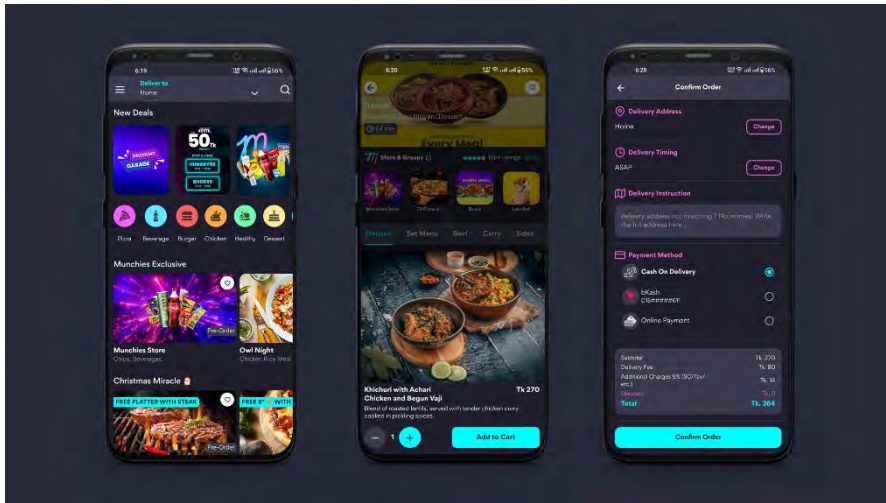


Figure 1: How to Order

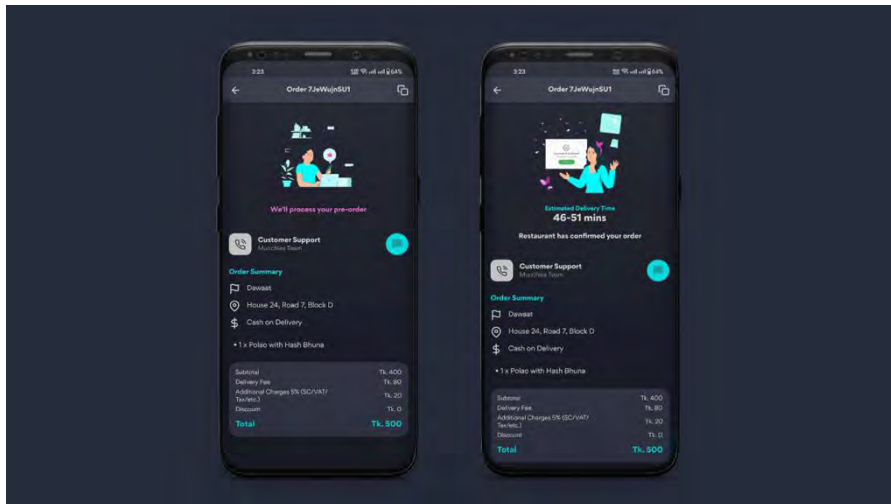


Figure 2: Order Processing

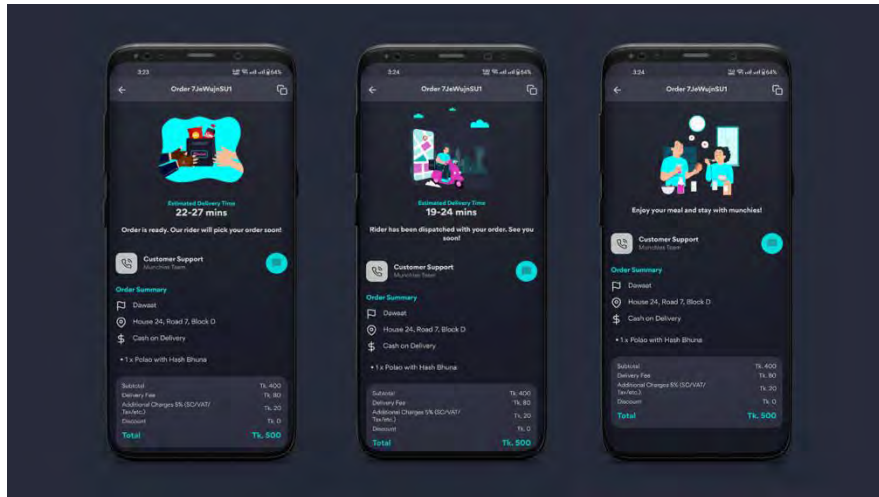


Figure 3: Order Delivered

### 2.2.3 Mission

Even at late hours, Munchies Delivery Limited sets a high priority on offering our clients a dependable and simple meal delivery service. We take great pride in providing excellent meals in the quickest possible time and assuring total customer happiness with each order.

### 2.2.4 Vision

Our main objective is to grow into the best food delivery service and also becoming a lifestyle platform in Bangladesh and grow to other nations and towns. By assuring 24/7 service and emerging as the first choice for individuals who want their favorite dishes whenever they want them, we aim to revolutionize the food delivery sector.

### 2.2.5 Core Values

We, Munchies, emphasizes on dependability, simplicity and customer happiness. Our aim is to give our consumers a hassle-free shopping experience. Our objective is to make our service affordable and consumable for everyone. Ensuring customer satisfaction is our first goal, and we are very dedicated and conscious about responding to any problems or queries as well as resolving them in a professional and timely manner.

### 2.2.6 Departments of Munchies

Munchies Delivery is a recently established business. To handle the operations, customers, and marketing, they have a small number of departments and only a few employees. The departments are listed as follows:

- Sales and Marketing

- Finance & Account
- Operations
- Human Resources
- Customer Service
- Information Technology (IT)

### **2.3 Management Practices**

Having a skillful management team, Munchies is now one of the fast-growing businesses in Bangladesh. Moreover, the department heads serve as the company's managers since it is a very small organization. To speed up the company's growth, they follow the management protocols and practices of any global firm, also monthly training programs are conducted regularly with staff at all levels to ensure that efficient communication is maintained to reach the company's goal.

All of the organization's important decisions are made after thorough consultation and debate with the relevant authorities and grassroots levels. Although the organization maintains the line of command up to a point, every individual has the opportunity to express their thoughts, and based on this, appropriate actions are taken in the policy implementation. In this way, prospective engagement is evaluated from every employee level before a final decision is taken. Therefore, planning, organizing, staffing, decision-making, communicating, leading, controlling, and monitoring are the top management process components of Munchies.

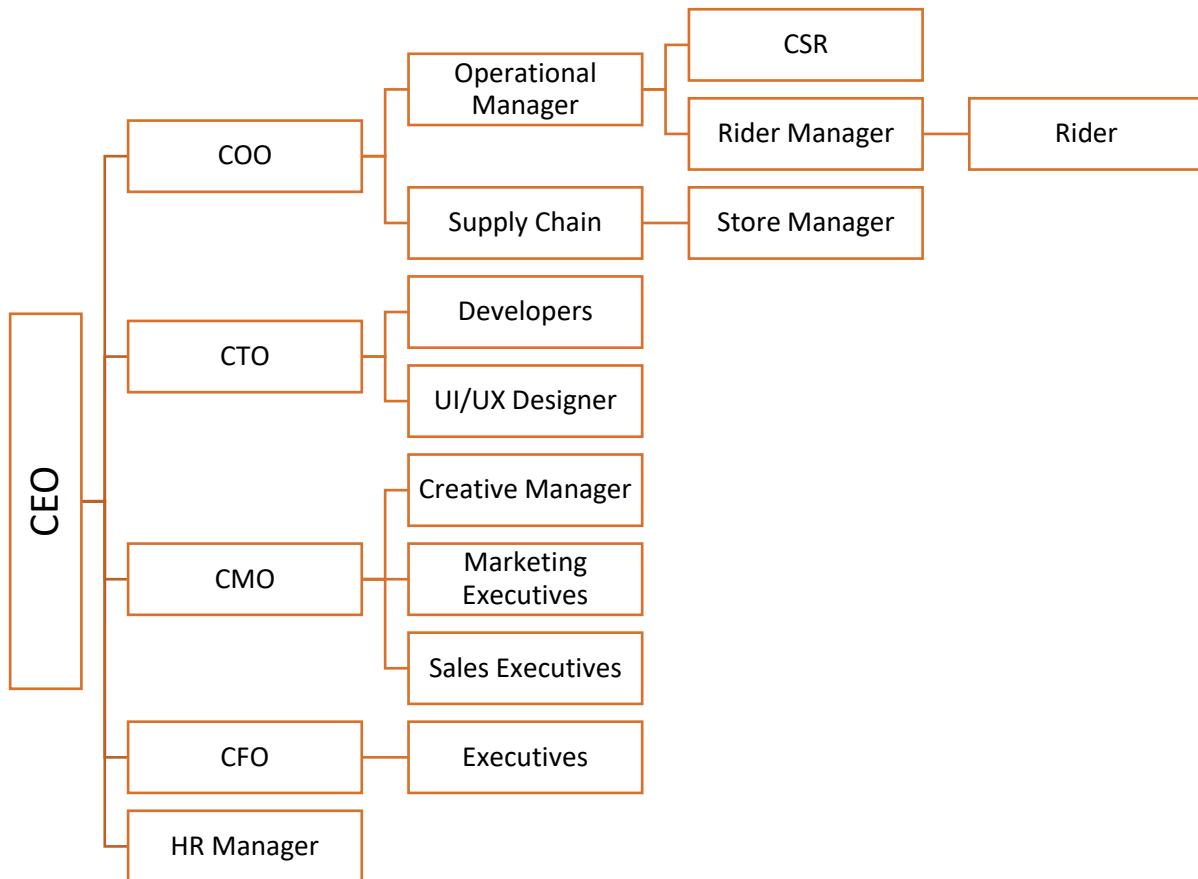


Figure 4: Organization Structure

## 2.4 Marketing Practices

Munchies Delivery Limited efficiently targets their customers by utilizing a variety of marketing methods. By using social media sites like Facebook, Instagram, and TikTok, the organization enhances its online visibility while advertising its offerings. In a further bid to raise brand awareness, Munchies engages in various activities throughout campuses and sponsors cricket competitions within educational institutions.

- Social Media Platform like Facebook, TikTok, & Instagram Munchies promotes its service and offerings.
- Munchies have organized promotional campaigns in events like FIFA World Cup, Valentine’s Day & Cricket World Cup to acquire new customers as well as generate more revenue from existing customers.

- Munchies also sponsor sport/ e-sport tournaments from school & universities to reach out young customers
- Munchies is actively providing to its partner restaurants branded POS machines and various printed materials like table top banner, X-banner; and also convince them to display these.
- Munchies creates video content, reels and static posts to upload in digital platforms and boost those posts to reach a large audience.
- Munchies periodically collects primary data from its users to take more data-driven marketing strategies
- Munchies is looking forward to tie up with popular food content creators to reach foodies around Dhaka city.
- Munchies frequently offers free delivery and promo codes to its users in order to retain them.

## **2.5 Financial Performance & Accounting Practices**

Like every other startup company, Munchies had to overcome a number of challenges in the financial field. The crew, on the other hand, has been capable enough of developing effective accomplishments to each obstacle with their upbeat and adaptive attitude. In a word, despite having difficulties, Munchies's business model has been developing a considerable amount of growth in its revenue as well as daily order generation since its very beginning in 2021 till the end of 2022. But due to the recent recession munchies facing downfall in its revenue generation in 2023.

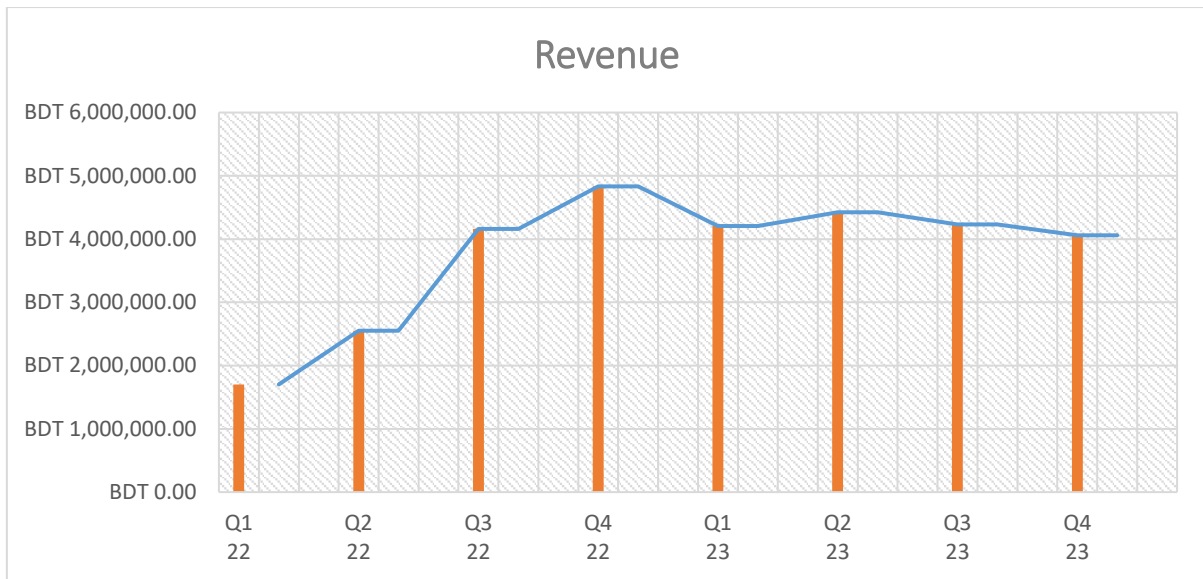


Figure 5: Revenue

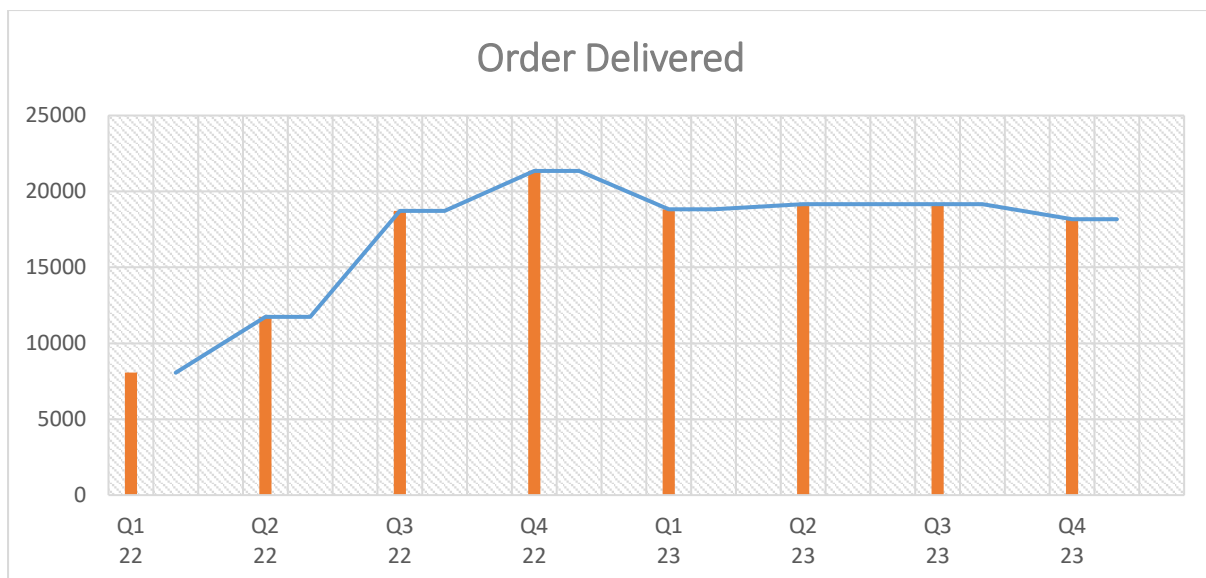


Figure 6: Order Delivered

As we are a newly emerging company, we are currently in the process of developing a well-structured accounting system. We are currently using cash-basis accounting in our company. We use MS Excel software to prepare our monthly and annual reports.

## 2.6 Operations Management & Information System Practices

We have developed ERM software over the years to monitor our business stats. We regularly use this software to fetch business data for further analysis before making important business decisions. We also receive key metrics from this software. We have different levels of user



profiles (e.g. admin, supervisor, staff) on this software to access different types of data. We use NoSQL (MongoDB) to store and process data. The following is a snap of our ERM software:

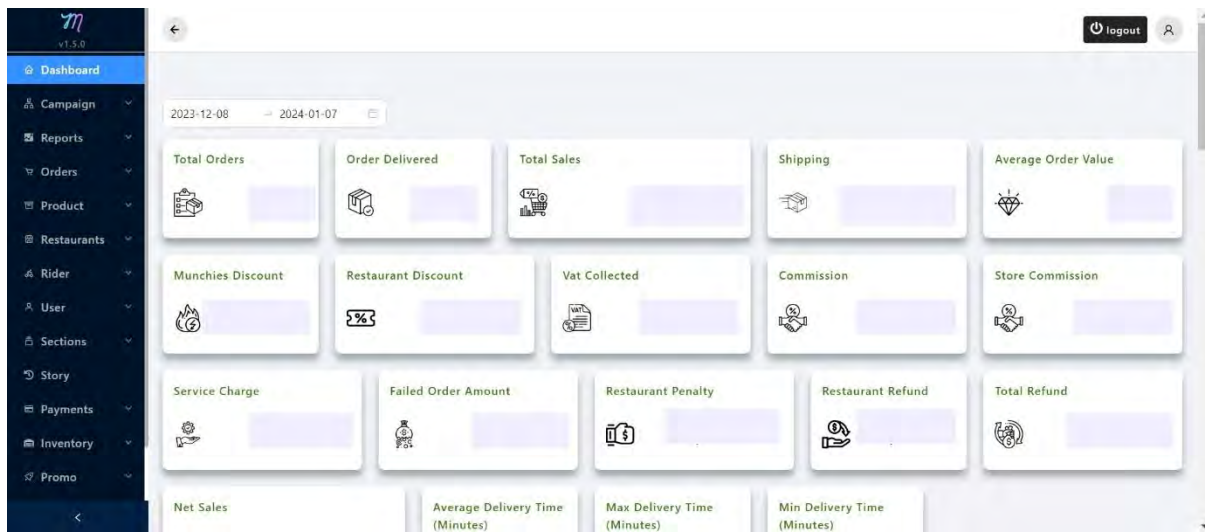


Figure 7: Munchies ERM Dashboard

## 2.7 Industry & Competitive Analysis of Munchies

Here, I am using Porter's Five Force Analysis, PESTLE Analysis, and SWOT Analysis to illustrate Munchies' potential market and the industry type to which it belongs in order to evaluate its competitiveness.

### 2.7.1 SWOT Analysis

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> <li>•Late-night Delivery</li> <li>•Numerous Restaurants</li> <li>•Less Commission</li> </ul>	<ul style="list-style-type: none"> <li>•Lack of Data</li> <li>•Lack of Fund</li> <li>•High Delivery Time</li> </ul>	<ul style="list-style-type: none"> <li>•Big Potential Market</li> <li>•Less Competition</li> <li>•New Product Selling Oppurtunity</li> </ul>	<ul style="list-style-type: none"> <li>•High Inflation Rate</li> </ul>

Figure 8: SWOT Analysis

**Strengths:**

Munchies has proven itself as a unique selling proposition (USP) in a specialized market. We are operating from 7 p.m. to 6 a.m. and at this hour, there is no other such company offering this kind of service, especially in the late hours. Beside this, we also sell daily essential products and 18+ products through our app and website. One of the unique services we offer to our customers is that we allow them to order food and essentials in the same cart, which they cannot do on other platforms. Moreover, we allow our customers to order from distant restaurants which they are unable to do on other services. Compared to our competitors, we charge restaurants a commission of less than 20% which is way less than other major players like Foodpanda. We have more than 250 eateries and more than 70 delivery riders already help to run the business. The Munchies platform offers flagship or international chain restaurants such as Herfy, Chocolate Room BD, and Secrete Recipe.

**Weaknesses:**

Munchies is a relatively fresh company in this sector and this results in a lack of investment and customer data. Customers often need to wait almost an hour from the time of purchase to delivery before receiving their food due to long distance or difficulties at night time. This also make some of our customers unhappy.

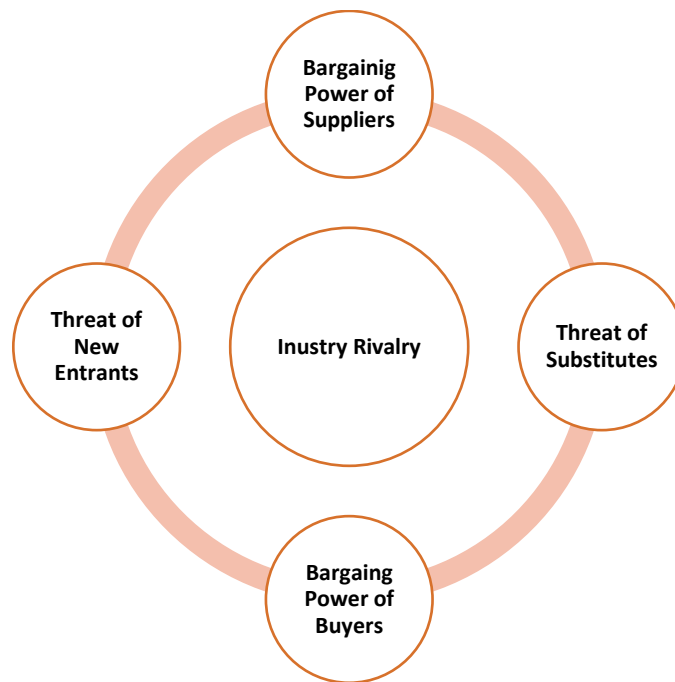
**Opportunities:**

Bangladesh has a sizable market for online meal delivery services, which presents a chance for Munchies. In the pandemic, Bangladeshi consumers' buying patterns have evolved from in-person to online. Munchies gained a large base of customers as a result. We have the opportunity to collaborate with partner restaurants for offers & also have the chance to receive bulk orders, corporate orders & catering services. We can also use our platform to sell commodity items to our customers.

**Threats:**

This industry's enhancing possibilities have made it a highly competitive place to work. Various new companies, like QFood, Khaodao, and Foodi, have joined this sector recently. Well-established businesses such as Foodpanda and Pathao Food pose a significant threat due to their wide consumer base and sufficient funds that can withstand any economic downturn. Besides these, the high inflation rate of Bangladesh can lead to a downfall in Munchies's sale.

## 2.7.2 Porter's Five Forces Analysis



*Figure 9: Porters Five Forces*

### **Threat of new entrants: (Low)**

New entry threat is moderate because of the nature of the market. Establishing a food delivery platform requires a significant financial commitment. To achieve market share, a company needs to spend a large sum of money. Because of the magnitude of the market, there are no hopes for new players to enter the late-night food delivery business. However, major players like Foodpanda are able to start operations at night to get rid of possible threats like Munchies.

### **Bargaining Power of Suppliers: (Low)**

The suppliers have minimal or no negotiating power. They own a store that offers snacks, and the suppliers of these goods are easily found in the marketplace as well.

### **Bargaining Power of Buyers: (Low)**

Customers have low bargaining power because of the lack of options in the late-night food delivery market. Although Foodpanda and BHN started late night delivery in some areas, but their service is hardly accessible due to their rider shortage at late night. After 2 a.m. there is no other alternative company who offers food from various restaurants.

### **Threat of substitutes: (Low)**

Customer base is lower in the late-night food delivery market & Munchies have already positioned itself as a late-night food delivery brand. Besides currently there is only Foodpanda and BNH offers this service to some areas in Dhaka. Therefore, it can be said that the threat of substitutes is low for Munchies.

### **2.7.3 Pestle Analysis**

**Political:** Since political conditions in Bangladesh seem to be stable, corruption and ineffective bureaucracy remain issues. Recently, the government has implemented a number of rules to regulate the growth of the startup environment, which could contribute to Munchies' advantage.

**Economic:** The economic condition of Bangladesh and the financial states of its people, have improved considerably over the past few years. A growth in middle class and rise in disposable income is noticeable. And this results in a positive change in consumer buying power. People are now confidently making their purchases, which is positive for Munchies as well as for other businesses.

**Social:** Bangladesh is currently an over populated country due to population growth, with urban populations growing rapidly. And population growth has led to high demand for e-commerce catering companies, especially in urban areas, which is a positive for Munchie. Also, nowadays there is a growing trend among people to order food online from home or office. Jay Ki is a golden opportunity for Munchie as a food delivery company.

**Technological:** Recently, technological infrastructures are rapidly developing in Bangladesh. This level of usage has been further raised by the widespread use of smartphones and the internet. And as a result, the e-commerce sector has expanded. This is good news for Munchies since, being a food company, it needs to stay current with cutting-edge technology in order to offer the best possible service to its customers.

### **Legal:**

Although Bangladesh's legal system is generally stable, there are flaws related to how intellectual property rules are being enforced. To prevent rivals from copying Munchies, the company must make sure that its intellectual property, including its brand name and distinctive selling propositions, is protected.

**Environmental:**

Bangladesh is a country surrounded by rivers, with many of its regions having low terrain. Concern about climate change has grown recently, especially in low-lying areas that face frequent flooding hazards. Taking all of this into account, the online retailer needs to refrain from using any environmentally harmful materials, like plastic or polythene packing, and should also cut the route taken by these supplied goods in order to lower carbon emissions.

**2.8 Recommendations**

In conclusion, there is a great need for online food delivery services these days. A favorable external environment has been established for Munchies to function thanks to the government's supportive policies and the increasing demand. In order to thrive in the current competitive market, Munchies needs to be dependent on technology, stay up to date on IT, provide the highest level of customer service at the lowest price possible, increase the number of restaurants on their platform, offer better discounts to their customers compared to other competitors, minimize their delivery time, expand their operational area as well as operating hour and finally safeguard their intellectual property.

## **Chapter 3: Project Part**

### **3.1 Introduction**

#### **3.1.1 Background**

Nowadays, in the concept of “Doorstep Economy”, nearly everything we need is available with a few clicks. This is made possible by the rapid growth of the internet and technological advancement in the past decade in our country. Almost everything can be delivered to our door in a certain period of time. Previously, the only items that could be couriered to the target location were letters and necessities. Thanks to tech entrepreneurs, we can now get anything we need, including meals, groceries, and other services. This favorable environment helped the country’s food delivery service providers to gain popularity in the delivery industry.

There is no question that Bangladesh has a large market for on demand food delivery service. Our domestic food delivery industry is almost 10 years old. Although, compared to the top food tech industry Bangladesh’s can be addressed as a child. Bangladesh’s neighboring country India has a market size of more than 6 billion USD. On the other hand, Bangladesh has a market size of roughly 120 million USD. According to a source, over the past year, cities like Dhaka and Chattogram have seen daily internet food delivery orders range from 35,000 to 40,000, with 60,000 orders around the country which is expected to grow 7 to 10 times in the next five years. According to a projection, the food delivery industry’s turnover is expected to reach more than 150 million USD in 2024. In addition, with a steady annual growth rate of 8.76%, the market is expected to reach 224 million USD by 2028. These studies show the potential of the food delivery industry in Bangladesh.

Munchies Deliveries Limited, started its operation as a food delivery company back in 2021 on trial basis and transitioned into full-fledged operation in the beginning of 2022. Munchies is specializes serving food and essentials late at night. From August 2023, it started day operations which started from 12 p.m. only on Gulshan, Baridhara and Banani as a pilot project. Currently, there is no major competitor for Munchies in the late-night food delivery market. Although Buy Here Now is also serving at late night. But their target audience is different from Munchies. But in the day market, capturing market share amidst major players like Foodpanda and Pathao Food will be very difficult for Munchies.

This financial strength growth strategy report presents a detailed analysis of Munchies's current financial condition and current growth strategies to sustain in this highly competitive market as well as maintain a steady growth in its revenue.

### **3.1.2 Objective of The Study**

The major objective of this report is to perform a detailed analysis of Munchies's financial condition growth strategies. The following are the primary and secondary of objectives of this study:

- To identify growth strategies undertaken by Munchies
- To evaluate the effectiveness of the strategies undertaken by Munchies
- To examine the prospect of Munchies Deliveries Ltd
- To suggest recommendations based on the finding of this study

### **3.1.3 Significance of the Study**

As a consequence of my internship, I got the chance to collaborate with my supervisors from BRAC University and Munchies. This helps me to produce this educational report on Munchies Deliveries Ltd. This report shows the financial strength and growth strategies undertaken by Munchies to sustain by maintaining a steady growth in the highly competitive food delivery industry of Bangladesh. This report gives an in-depth understanding of Munchies and the market, making it a useful tool for individuals looking for information about the business and its rivals as well.

### **3.1.4 Methodology**

To prepare this report, I used primary data sources the most. The resources were:

#### **Primary Data:**

For primary data collection, I interviewed my supervisor Mr. Minhajul as well as the founders of the Company. I also added information which I acquired during my working days in this company.

#### **Secondary Data:**

I browsed the official website and social media pages to find further information for my article. Articles from The Business Standard, Business Inspection & Statista also helped me to prepare this report.

### **3.1.5 Data Analysis and Interpretation**

After the data collection process completed, the data was analyzed, interpreted and implemented by a number of intermediaries. The majority of the report's development was done utilizing analytical judgement.

Techniques:

To ensure a comprehensive and easily available report that represents the company and the industry accurately, I had to collect accurate and truthful data and organize them carefully. I cautiously arranged the report to avoid misunderstanding.

Tools:

I used basic MS Word and MS Excel techniques to analyze data and to complete the study.

### **3.1.6 Limitations**

The main challenge I faced during the preparation of the report was the strict confidentiality within the company. Due to this, I could not gather or provide valuable information which could enhance the report quality significantly, furthermore:

- The three-month time period of my internship limits me to collect data
- Due to extensive workload of the employees, I have failed to sit with them sufficiently and gather more information
- The dynamic and ever-changing nature of Munchies has made it difficult to compile up to date information and strategies.
- Munchies is dedicated to completing assignments on schedule, including internship duties. That sometimes made it harder for me to finish the report.



## 3.2 Findings & Analysis

### 3.2.1 Financial Strength Analysis

As a business company, it is very essential to track and analyze financial performance to ensure that the company is on the right track to achieve its goals. Specially, for startup businesses, financial analysis helps:

- To determine whether the business is on the right track to achieve its goals
- To identify areas of overspending and underspending
- To compare the business with its rivals
- To raise funds from investors
- To assist in developing long term plans
- To facilitate better decision making
- To identify potential problems earlier so that they can be eliminated before they become too costly

By calculating some important financial ratios, we can obtain a clear idea of the financial strength of a company. Financial ratios are calculated from a business's financial statements to evaluate a business's overall health, profitability, liquidity and operational effectiveness.

#### 3.2.1.1 Liquidity Ratios

Liquidity ratios give us a clear picture of a company's ability to settle its short-term liabilities such as accounts payable, short-term debt and other short-term obligations. These ratios evaluate the availability of cash and other current assets for such uses. The following are some widely used liquidity ratios to indicate a company's liquidity:

##### **Current Ratio:**

Current ratio gives us a clear picture of a business's ability to settle its short-term debt with its current assets. However, it is obtained by dividing current assets by its current liabilities.

Year	2023	2022	2021
Current Ratio	1.44	2.62	2.99

*Table 1: Current Ratio*

##### **Interpretation:**

Current Ratio presents the capability of a company to settle its short-term financial obligations. A standard current ratio is ranging from 1.2 to 2, while it can vary from industry to industry. A current ratio of 2 means that the company has 2 times more current assets than liabilities to cover its obligations. A current ratio less than 1 means that the company doesn't have enough liquid assets to cover its short-term obligations. The current ratio of Munchies was 2.99 back in 2021 which is not a good indication, but it was the 1<sup>st</sup> year for the company. Gradually the ratio declined from 2.99 to 2.62 in 2022 and finally it reached 1.44 by the end of 2023. The most recent rate which is 1.44 is between 1.2 to 2, which is a healthy indication for the company. The company should maintain this ratio level.

### **Cash Ratio:**

The Cash Ratio is a liquidity measure that indicates a business's capability to fulfill its immediate obligations using only its cash and cash equivalents. With the help of this ratio, Investors, Founders and other stakeholders of the company can get an idea of a company's short-term risk.

<b>Year</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Cash Ratio</b>	<b>0.81</b>	<b>0.86</b>	<b>2.26</b>

*Table 2: Cash Ratio*

### **Interpretation:**

The Cash Ratio presents a company's capability to fulfill its short-term obligations with cash and cash equivalents. A cash ratio above 1 is considered good and on the other hand, a ratio under 0.5 is treated risky as the business has twice as much short-term debt compared to cash. In the case of Munchies, the cash ratio was 2.26 back in 2021, that's because it was the first year of the company and the company had a large amount of cash from investments. After that, it reached at 0.86 at the end of 2022 and finally reached at 0.81 at the end of 2023. This downfall happened because in the year 2022-23 Munchies incurred losses as it is a newly formed company and also it could not secure notable investments in those years. Still, it is in a safe position, but Munchie's management should act promptly to mitigate this by securing investment as well as reducing net loss.

### 3.2.1.2 Solvency Ratio

Solvency ratios show the level to which a company uses debt finance to run its day-to-day operations. Therefore, it carries great significance for lenders and investors. A significant number of solvency ratios contrast assets or net worth with debt. Although a high solvency ratio indicates high risk and vulnerability, it also raises the potential for greater rewards.

#### Debt to Equity Ratio:

Debt-to-equity ratio compares a company's total debt to its equity held by shareholders. It shows the percentage of debt and equity money utilized to support the development and operations of the business.

Year	2023	2022	2021
Debt to Equity Ratio	0.84	0.36	0.40

Table 3: Debt to Equity Ratio

#### Interpretation:

The debt-to-equity ratio analyzes the share of a company's debt and equity financing. Although it varies from industry to industry, a debt-to-equity ratio higher than 2.5 is generally considered risky. A lower debt to equity ratio means low risk. For Munchies, the ration is ranging from 0.40 to 0.84 from 2021 to 2023 which means the company can be considered safer. But the ratio is rising from 0.40 in 2021 to 0.84 in 2023. The management should find out the reason behind it and take necessary steps to prevent this growth.

### 3.2.1.3 Performance and Management Efficiency

#### Net Profit Margin Ratio:

The net profit margin ratio is a profitability parameter which indicates the percentage of net income generated by an organization as opposed to its total revenue.

Year	2023	2022	2021
Net Profit Margin Ratio	-6%	-13%	-17%

Table 4: Net Profit Margin Ratio

**Interpretation:**

The net profit margin ratio is a profitability metric which calculates the proportion of net income generated by an organization as opposed to its total revenue. Although the standard rate varies from industry to industry, there is a general rule of thumb which states that 5% is a low margin, 10% is a healthy margin, and 20% is a high margin. As Munchies started its business in 2021, so it is normal to have a negative percentage due to net loss. Like other industries, reaching the breakeven point within 2-3 years is not possible in the online food delivery industry. Normally, it took more than 5 years to reach breakeven with the help of huge investment. Considering all these, it can be said that munchies is performing well because we can see a downfall in the negative percentage over the years meaning the company is moving towards its breakeven point.

**Asset Turnover Ratio:**

The asset turnover ratio is used to calculate a company's efficiency in generating revenue by utilizing its assets. It evaluates the ability of a business to make revenues from its invested assets.

Year	2023	2022	2021
Asset Turnover Ratio	1.54	1.41	0.64

*Table 5:Asset Turnover Ratio*

**Interpretation:**

The asset turnover ratio shows a company’s efficiency to generate revenue using its total assets. A ratio which is over 1 is always considered good and a high ratio reflects that the business is making more revenue by fully using its assets. It also means that the business is using its own resources to produce enough net sales. Munchies’s asset turnover ratio experienced a growth from 0.64 in 2021 to 1.54 in 2023 which is very much satisfying. This means that the company is showing efficiency in using its assets to earn revenue.

### 3.2.1.4 Profitability Ratios

A business's capacity to earn a profit is measured against its established objectives. This metric is used to determine how well a business is using its available resources.

#### **Return on Equity (ROE):**

Return on Equity (ROE) is a key financial ratio that shows a business's capability to earn profits from its shareholders' equity. It is obtained by dividing net income by shareholders' equity and the result is given in percentage format. A higher ROE presents efficient use of equity, which results in higher profitability and better management performance. Investors heavily rely on ROE to analyze the profitability of a business and compare it to rivals in the same industry. ROE gives a clear picture of a company's financial condition and its potential to generate shareholder returns.

Year	2023	2022	2021
ROE	-17%	-25%	-16%

*Table 6: Return on Equity (ROE)*

#### **Interpretation:**

Munchies is maintaining a negative ROE ranging from 16% to 25% in the years 2021 to 2023. As Munchies started its operation in 2021, it is normal to have negative ROE for the first few years because reaching the breakeven point in the online food delivery industry normally takes more than 5 years. Also, negative ROE means that shareholders are losing investments which is also alarming for a company. Therefore, Munchies's management should do a proper investigation to find the loopholes and take the necessary steps to speed up the process of reaching the breakeven point and generate profit.

#### **Return on Asset:**

Return on Assets (ROA) is a crucial financial measure that calculates a company's capability to earn profits using its total assets. It shows how effectively assets are utilized in a company

to generate earnings. However, ROA is calculated by dividing net income by average total assets, and it is presented as a percentage.

Year	2023	2022	2021
ROA	-9%	-18%	-11%

*Table 7: Return on Asset (ROA)*

### **Interpretation:**

Munchies is maintaining a negative ROE ranging from 11% to 9% in the years 2021 to 2023. In the year 2022, it faced a huge fall from -11% to -18%, but it recovered within a year by raising the percentage to -9%. As Munchies started its operation in 2021, it is normal to have negative ROA for the first few years because reaching at the breakeven point in online food delivery industry normally taken more than 5 years. Munchies's management should take the proper measures to find best ways to utilize its assets so that it can reach its breakeven point as early as possible.

### **3.3 Growth Strategies**

#### **Market Expansion:**

Market expansion is one of the effective strategies for a business to grow. It defines an approach of selling products or services to a new market. It works productively whenever there are few chances to grow among the current market industry or there exists a potential customer base in the new market the business tends to expand in. Accordingly, this strategy has been resorted to by Munchies also. For example, when it had started its operation, the only motivation was to run the operation at night but now, the authority is planning to expand its market in daytime too. Moreover, the company has already started its daytime operation in some of the areas like Gulshan, Baridhara and Banani on a test basis. In addition to that, the company is working on broadening its delivery area too such as delivering in other major cities like Chittagong, Khulna, Rajshahi etc.

#### **Market Segmentation:**

Another type of growth strategy for growing a business is market segmentation. It is an idea where the whole consumer market is broken down into some categories known as segments on the basis of some grouping factors like customer locations, interests, ages, professions etc. It is mainly making a distinct indication of a number of target groups to sell its products and services. Adopting this strategy, a company is allowed to carry out particular campaigns targeting those specific grouped people of the market which entirely makes a powerful impact on the business growth. For instance, previously, Munchies offered discount campaigns based on the concept of late-night delivery merely. In the meantime, the company has grouped its customer base based on different ages and professionals like students, young professionals, freelancers, night shift job holders along with throwing offers based on these different unified groups.

### **Market Penetration:**

Market penetration is another concept of business growth that companies can apply to augment sales in its market. It includes the idea of marketing its existing products or services in different innovative ways to grab attention of the market consumers. It refers to the different kinds of promotional activities of the products. The strategy can be achieved by lessening the price of current goods than the other current market competitors so that more customers are attracted to buy them and thus raising the market share in a significant way. In this regard, Munchies often runs different kinds of promotional activities such as free delivery to its former customers, gives special promo code discounts to the new customers, and throws special offers to the existing customers to generate more revenue from them as well as attract new customers.

### **Product Expansion:**

Companies sometimes apply various methods of product development and sales to make business expansion and boost revenue. Product expansion introduces such a strategy which refers to launching a new kind of product line or remaking the existing product base or refactoring existing available services. It is one of the most used business growth strategies out there. As new product development signifies to expanding the business itself, it is thus related to increasing profit and revenue directly. For example, Munchies firstly started its operation by selling only foods to their customers late at night. Later on, the founders started thinking on expanding its business by carrying more product lines along with this. Regarding this, the company introduced grocery items, appetizing dry snacks and late-night essentials. Gradually, it too started providing smoking essentials to its customers.

### **Diversification:**

One way to grow a business is by diversification, which prescribes starting and marketing new items or services to emerging market areas. As it works with the emerging or growing markets and products, it requires ample amount of study, analysis, and research on trendy products as well as emerging markets. As a result, it appears to be quite challenging to produce fruitful study results and implement this technique. In spite of that, through proper study and analysis, this strategy plays a great role in helping a business flourish with innovative ideas, techniques, and methods. However, this creative strategy has been adopted by Munchies in the meantime. They are planning to expand their business by introducing ‘Munchies Kitchen’. The concept is taking lease of a larger space, and further renting it out to small cloud kitchen owners and home chefs.

### **3.4 Recommendations**

Some suggestions are mentioned below for improving Munchies Delivery Limited's financial health as well as its market share based on my experience on Munchies and this study.

- Munchies need to implement more automation to its order processing & rider assigning for reducing the average order to delivery time
- Munchies need to employ more manpower to its rider and customer service division to ensure smooth service in peak hours.
- Munchies should put more focus on its IT department to improve the quality of its app and website.
- Munchies should hire experienced individuals in all of its departments to make better strategic decisions and also it needs to arrange training sessions on a regular basis to improve the quality of its employees.
- Management should find out loopholes in the supply chain to reduce irrelevant operational cost and remove operational redundancy in order to make this business profitable

### **3.5 Conclusion**

Munchies Deliveries Ltd. is a fast-growing startup company in the online food delivery industry in Bangladesh. Presently, they are offering their product and service to a niche market by operating only late night. But they are planning and actively working to expand their operation. They want to enter the day market as well as increase their operational area. With



the help of strategic marketing campaigns, event sponsorship & active social media dynamic posts for advertisement Munchies have acquired a significant portion of the late-night customer. I hope that Munchies will develop into a market leader in the local industry and also achieve its goal to become a global lifestyle app.

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