Leverage Smart Technologies to Build *Disruptive* Business Models Integrated Around Customer Needs

Agenda

- The Multi Trillion dollar platform opportunity
- What is driving the growth of this platform?
- How some companies have achieved tremendous success on this platform
  - What do they have in common?
- Why cant big companies disrupt?
- The Sysco-Cake business model

The Multi Trillion dollar platform today has 3.4 billion people connected to 5 billion+ device

On the Web

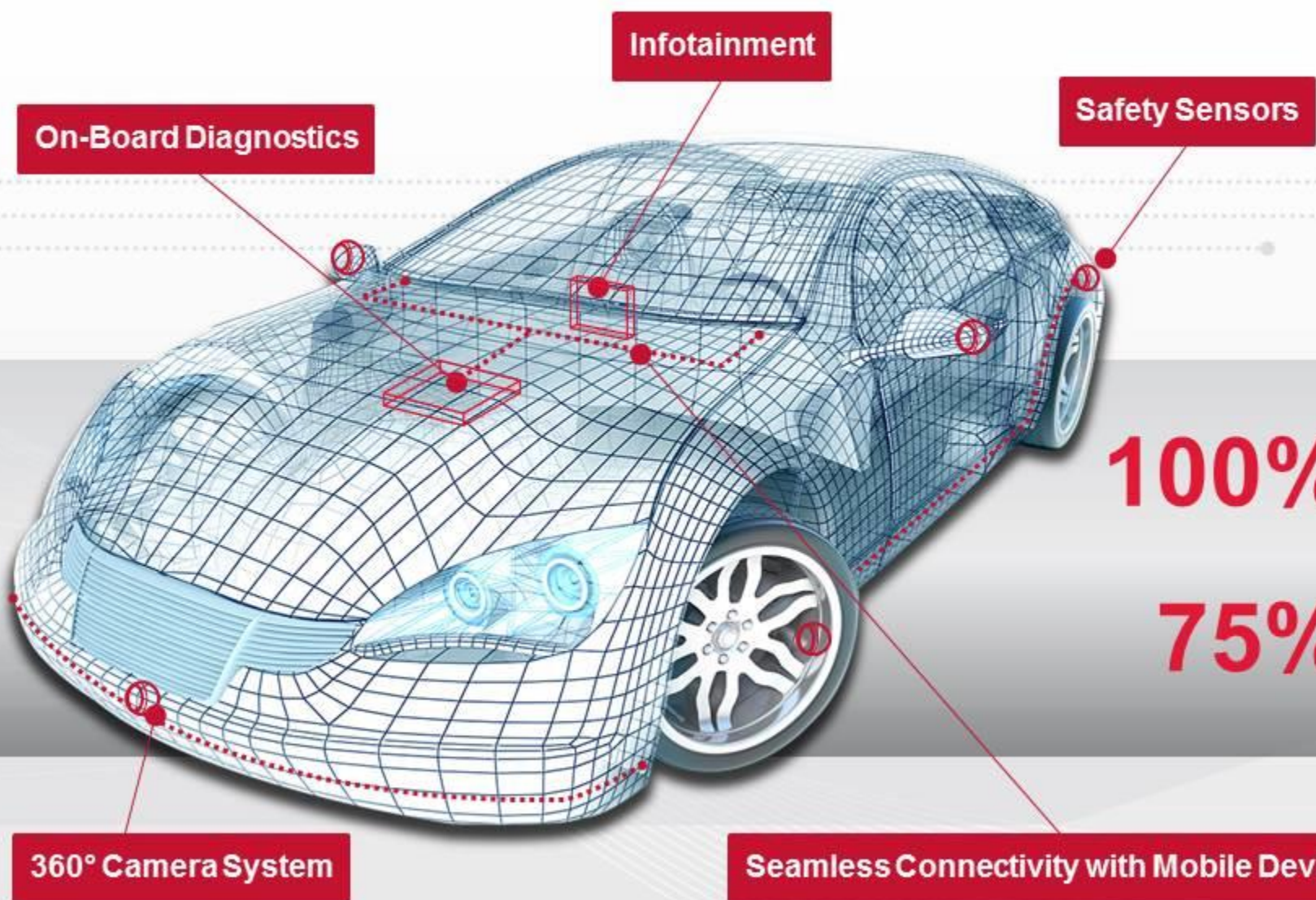**On Mobile Devices**
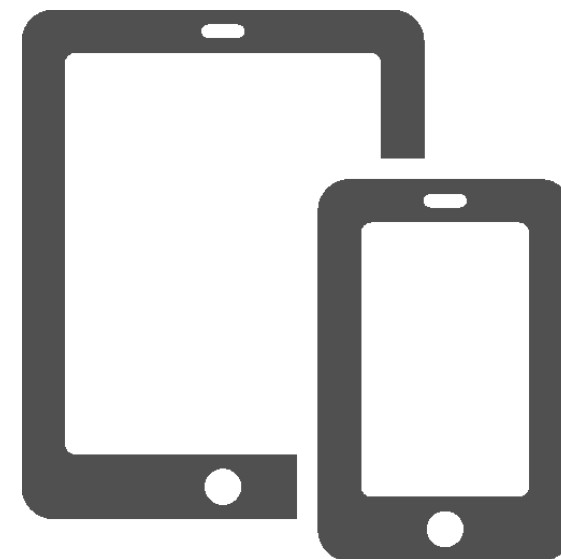
People are Constantly Connected

Internet Of Things

On Smart TV

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New Devices are also getting connected everyday

THE CONNECTED CAR

Infotainment

Safety Sensors

On-Board Diagnostics

100% Of cars will be connected by 2025[1]

75% Of cars on the road will be autonomous by 2035[2]

360° Camera System

Seamless Connectivity with Mobile Devices

Source: [1]GSMA 2013, [2]Navigant Research 2013

Connected homes

Connected watch

Connected Toilet
(pictured: Satis Integrated Toilet)

Drivers of this change

1.

Access to low cost High speed internet

- 1999 - Average $44 for 56kbps bandwidth

- 2005 - Average $4 for the same 56kbps bandwidth

- 2015 - $0.03 for the 56kbps bandwidth

2.

Low cost smart phones

- 1st Generation iPhone 600USD (with contract)

- Today you can get a smartphone 10x faster for under 100 USD (witho

3.

Cloud computing

- High cost of local servers vs cloud.
- Connectivity speed is closing the gap between cloud speed and local speed.

Vs.

4.

Simple to use tech products

The platform is growing
at an exponential rate.
4+ billion people
connected to 20 billion
devices by 2020

Some companies have already capitalized on this platform in a disruptive way

UBER

(Worth 62 Bil. USD)

airbnb

(Worth 24 Bil. USD)

NETFLIX

(Worth 32 Bil. USD)

NETFLIX

~~Blockbuster~~

Network TV

A Potential Unicorn

What do these companies have in common:

- Simple product
- Built by industry outsiders
- No complex infrastructure
  - They instead take advantage of this newly available platform
- They are full stack
- They are solving an old problem in a new way

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You cannot disrupt by asking your customers what they want.

"I want cleaner more comfortable cars"

"I want High Quality Service"

"More variety in movies"
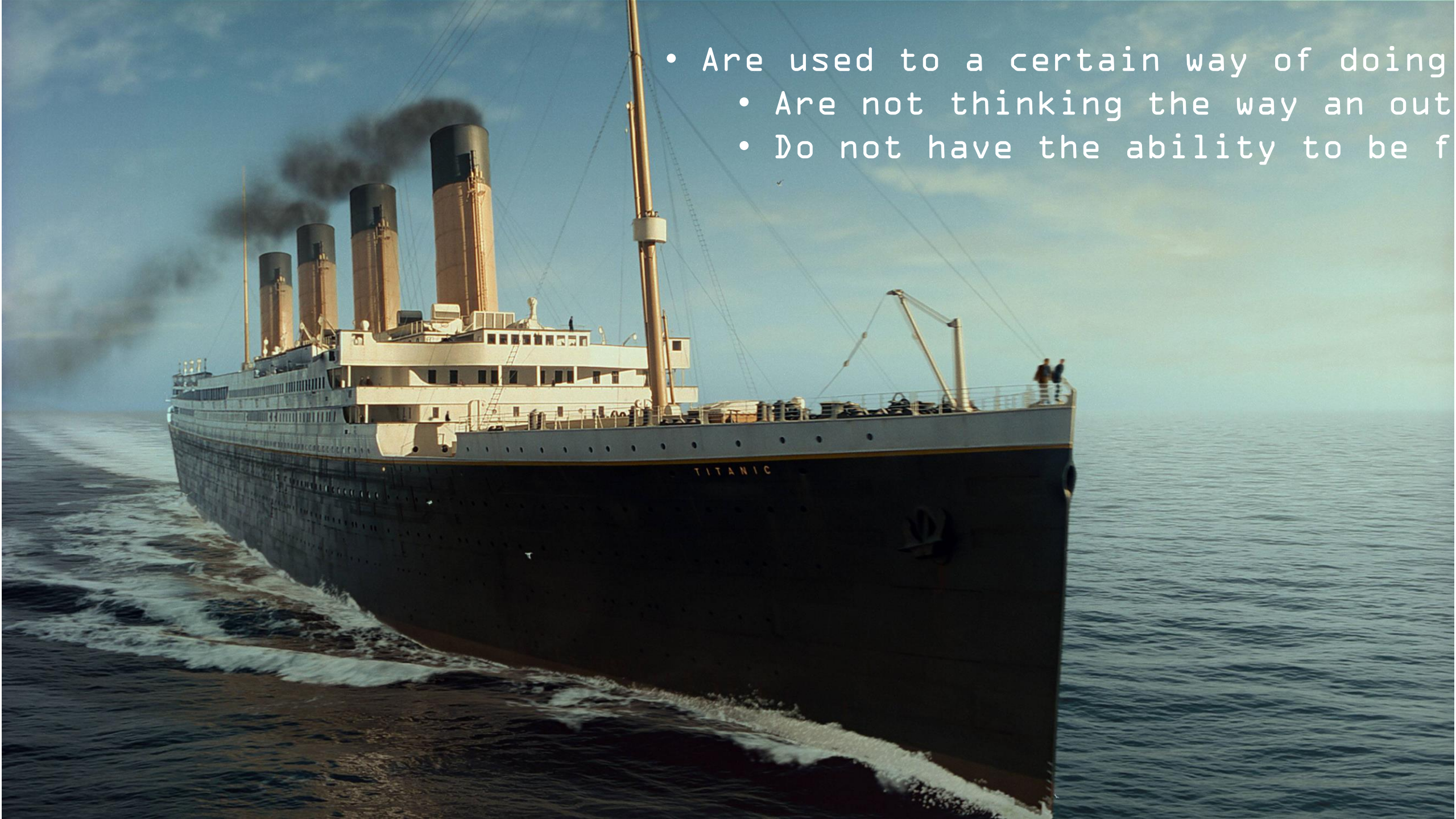
What people value most is
simplicity and convenience

Why is it that big companies cant disrupt?

- Are used to a certain way of doing
- Are not thinking the way an out
- Do not have the ability to be f

Why not?

- Need to protect existing customers and business models

- Decision making by committee and therefore slower

- Most decisions are data driven. What if the data is not available?

- The more successful the company the more reluctance to change.

- Failure = loss of credibility ………. or worse

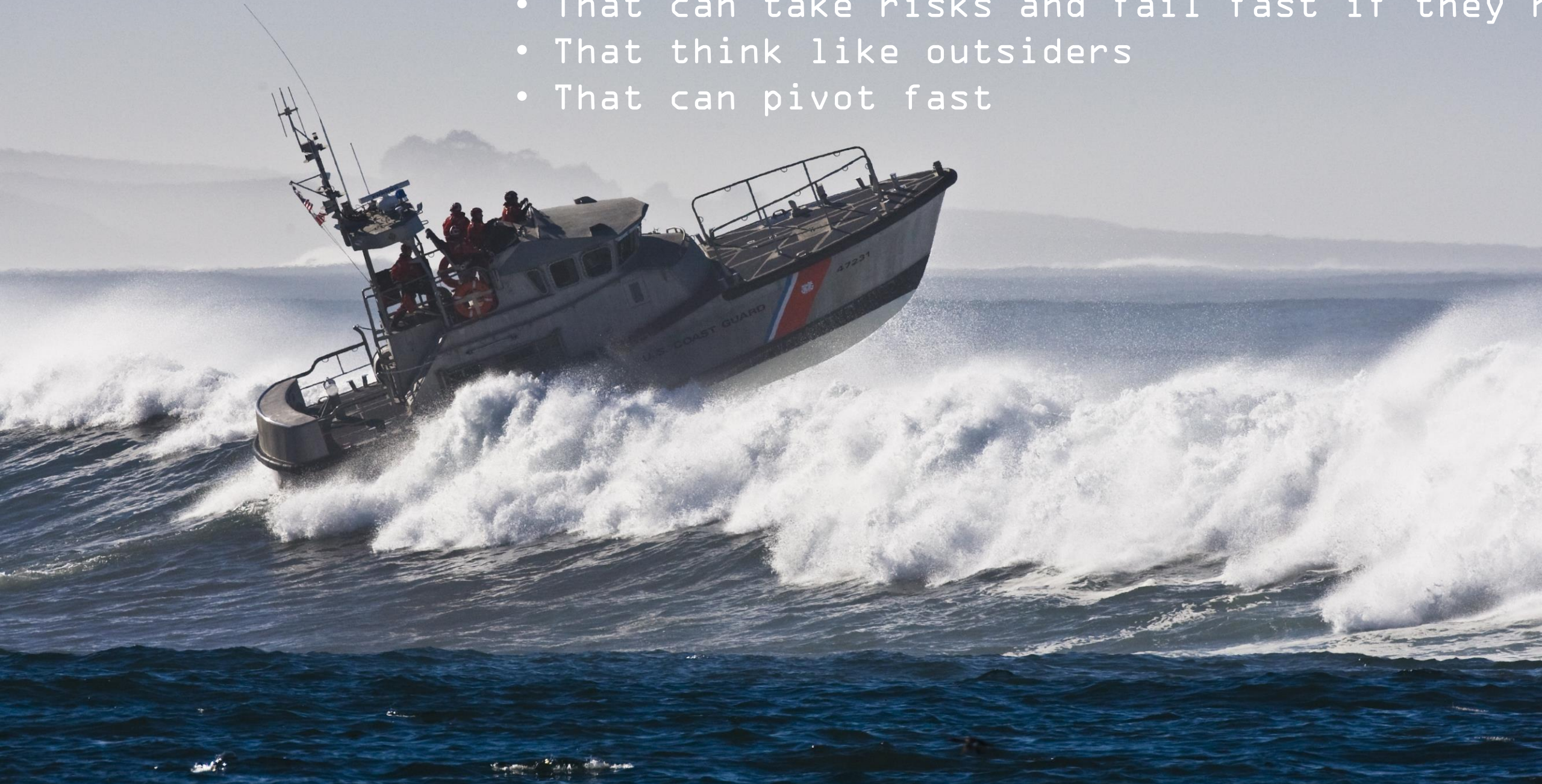- Startups start at the bottom so have nothing to lose

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Tesla Motors

Nissan leaf

- Larger companies need to invest in smaller com
  - That can take risks and fail fast if they r
  - That think like outsiders
  - That can pivot fast

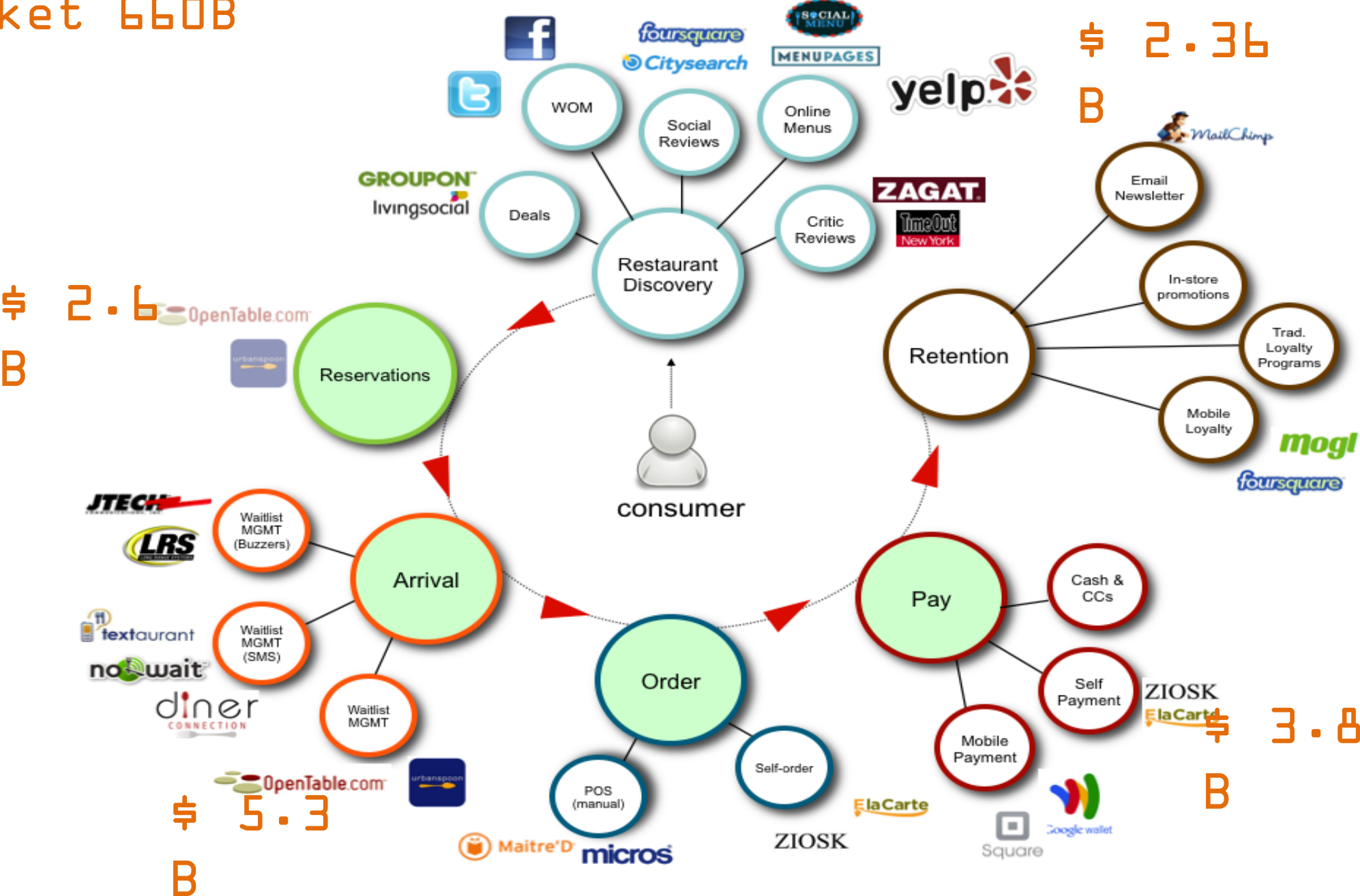# The CAKE - Sysco Relationship
A Disruptive Business model

- Headquartered in Houston, with 180 OpCos in USA, Canada and In
- 75,000 employees and 500,000 customers
- Ranked #61 in 2015 Fortune 500 list
- US$ 48 billion in revenue;
- 15,000+ sales associates

CAKE VISION

Anytime a <u>consumer</u> interacts with a restaurant, they will do it on a CAKE product

Restaurant tech market 66OB

$ 2.36 B

$ 2.6 B

$ 5.3 B

$ 3.8 B

Restaurant Discovery
- WOM
- Social Reviews
- Online Menus
- Critic Reviews
- Deals

Reservations

Arrival
- Waitlist MGMT (Buzzers)
- Waitlist MGMT (SMS)
- Waitlist MGMT

Order
- POS (manual)
- Self-order

Pay
- Cash & CCs
- Self Payment
- Mobile Payment

Retention
- Email Newsletter
- In-store promotions
- Trad. Loyalty Programs
- Mobile Loyalty

consumer

OUTSIDE RESTAURANT

INSIDE RESTAURANT

CAKE Guest Manager

Cake.net

CAKE

SEATING

DISCOVERY

ORDER

RETAIN

PAY

Analytics

CAKE Order
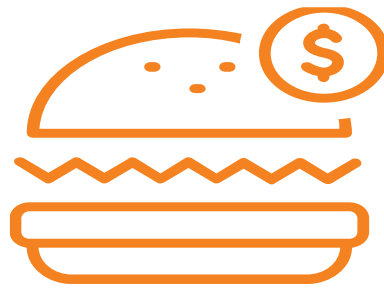
CAKE POS

CAKE LABS

What makes our relationship beneficial?

- Sysco allows us to leverage:
  - A large market that they already have a relationship with
  - Capital
  - Operate independently

- We provide Sysco:
  - With a way to participate in a disruptive way on this platform
  - And a method by which to give their customers greater benefits
  - Access to huge amount of data

CAKE LABS

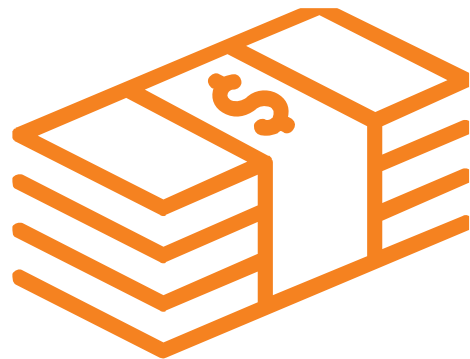# The CAKE Platform Today

Sysco National Rollout – Began in October 2015

Legend:
- 95 Broadline
- 25 Produce
- 30 Meat
- 11 Guest Supply
- 17 SYGMA
- 2 European Imports
- 9 International
- 2 RDC
- 3 Central Warehouses

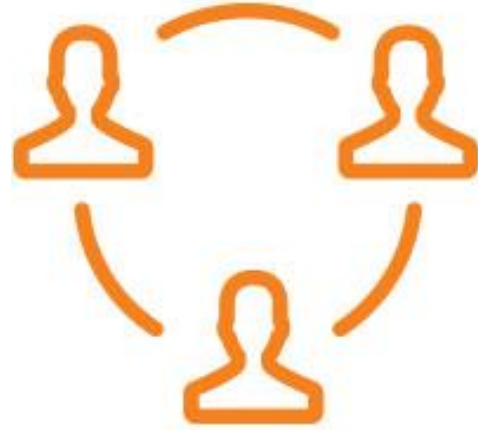# $1,040,000,000+

Total Dollars Processed

$3,000,000/day

$30/second

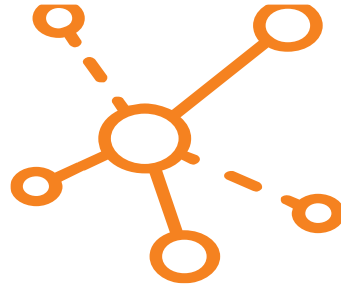# 45,500,000+

Total Diners Seated

16,000 seated/day

130,000 orders/day

1.5 orders/second

Growing at 250%

With Sysco

The Multi trillion dollar platform is here to stay and only getting bigger.

- Either you get good at working on it.

- Acquire someone who is good at working on it.

be replaced by someone who is good at working on