inqestra

A $4 lunch worth serving?

$4

Daybreak Café
Commercial assessment

Fictional decision case. Assumptions and calculations supplied.

Launch economics

Base case: 140 offers across 20 selling days. Forty offers replace regular orders.

$560

Offer revenue

$142

Recurring contribution

−$28

After $170 setup

The owner can consider a bounded trial after checking supplier costs and service capacity.

Fictional café case. USD. All business inputs are illustrative.

Each offer contributes $1.70

A $4 selling price less $2.30 of variable cost.

Cost per offer	USD
Ingredients	1.40
Packaging	0.25
Labour allowance	0.55
Payment allowance	0.10
Total variable cost	2.30

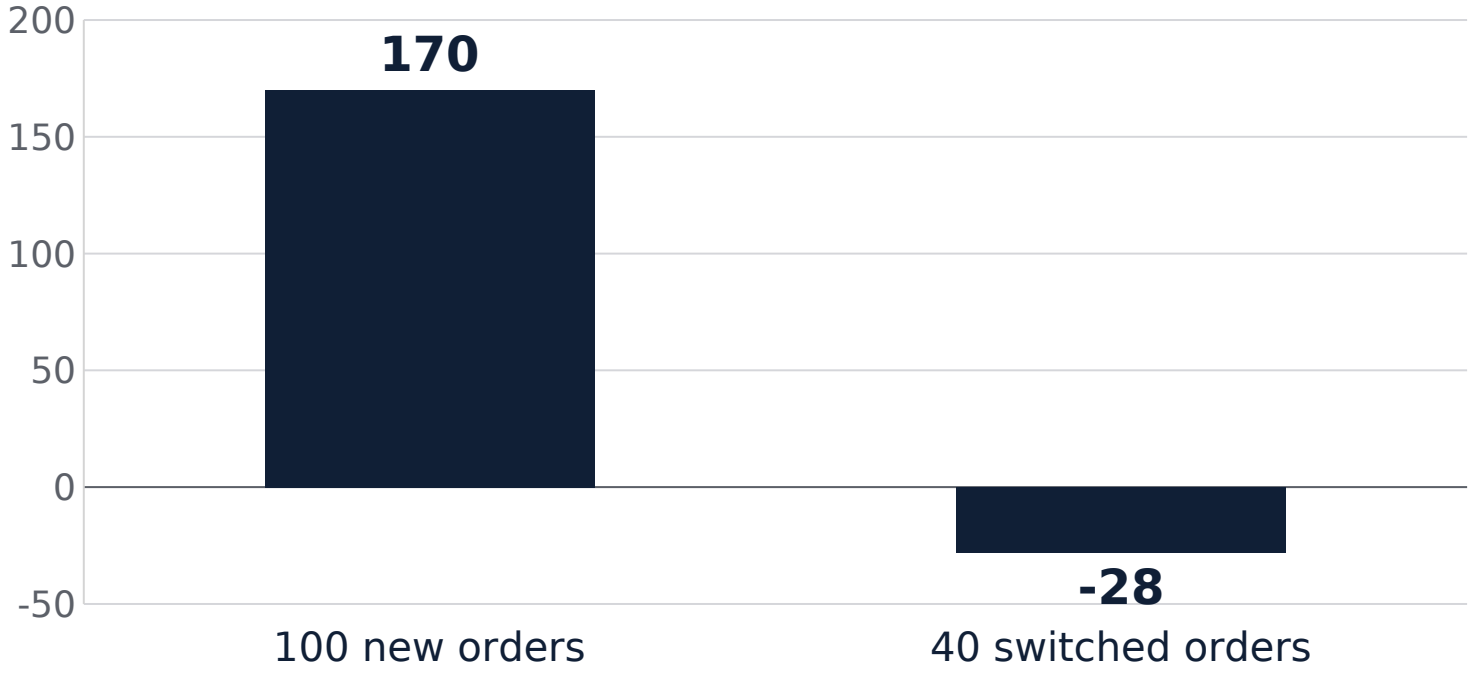
$1.70

Contribution before setup and displaced regular orders

Labour: 3 minutes valued at $11/hour. Actual payroll, waste and fees need checking.

Switching reduces the benefit

A regular order contributes $2.40. Replacing it with the offer gives up $0.70.



$142

Recurring contribution
$170 less $28

Switching share: 40 ÷ 140 = 28.6%. The counterfactual is what customers would have bought otherwise.

More sales can still produce a loss

Contribution after $170 setup. Columns show the share of offers replacing regular orders.

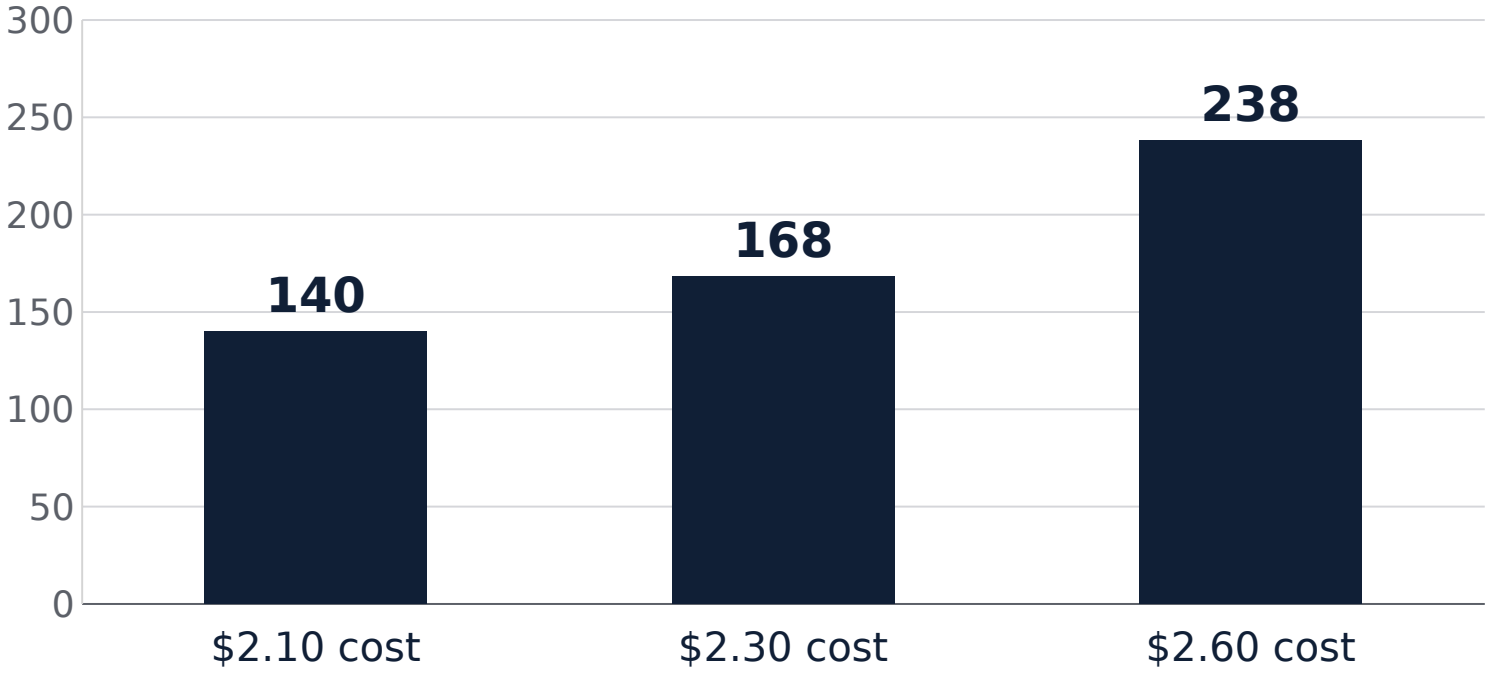
Offers / 20 days	0%	15%	30%	45%
100	0.0	-36.0	-72.0	-108.0
140	68.0	17.6	-32.8	-83.2
180	136.0	71.2	6.4	-58.4
200	170.0	98.0	26.0	-46.0

At 180 offers and 30% switching, the model leaves $6.40 after setup.

Fictional café case. USD. All business inputs are illustrative.

Higher unit costs delay setup recovery

Offers needed to recover $170, holding switching at 40/140. Rounded up to whole offers.



200

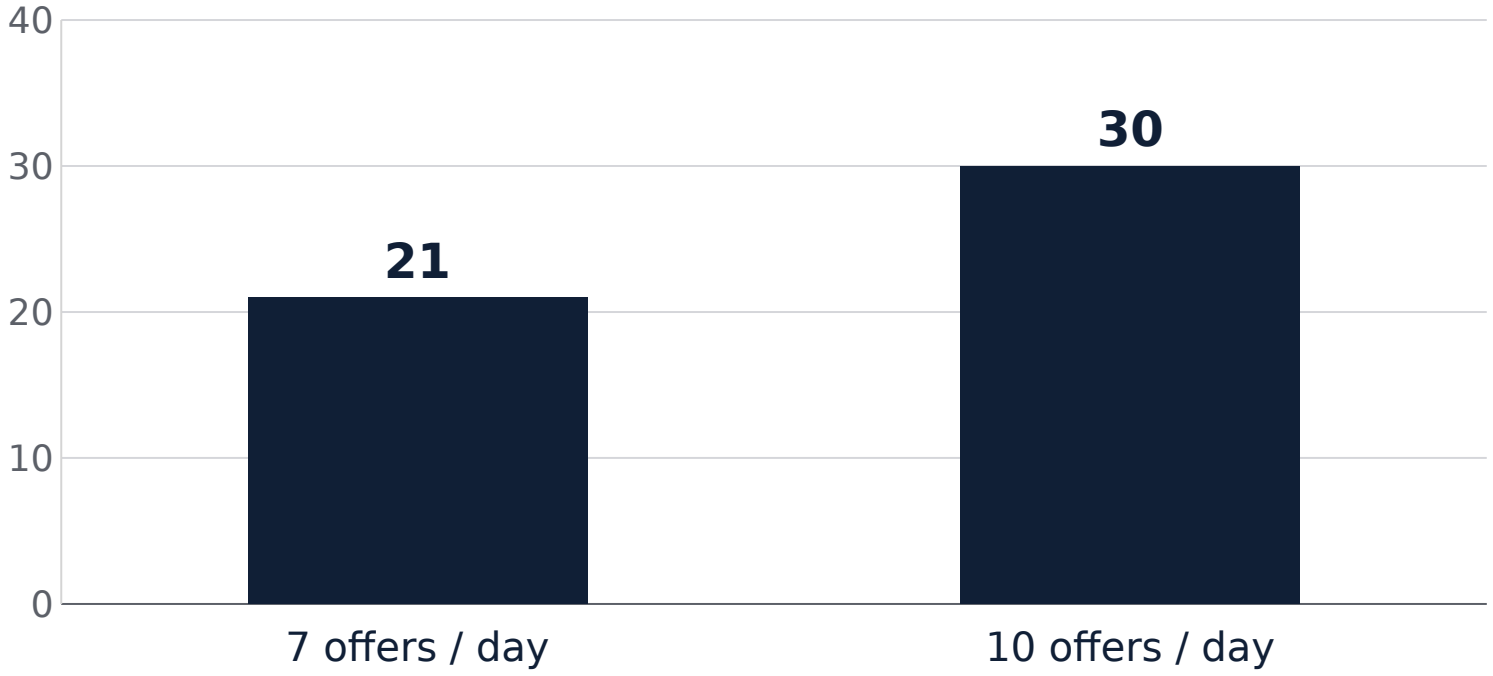
offers in the assumed 20-day capacity ceiling

At $2.60 cost, recovery needs more time or more capacity than the current plan allows.

Fictional café case. USD. All business inputs are illustrative.

Ten offers use all assumed prep capacity

Thirty usable staff-minutes a day, with three minutes of work per offer.



10 / day

30 minutes ÷ 3 minutes

The team still needs a peak-service timing check. Spare minutes across a day do not establish lunch-hour capacity.

Fictional café case. USD. All business inputs are illustrative.

Trial measurement plan

The model’s 20 selling days are a costing horizon. The owner sets the actual trial length.

Question	Record	Decision use
Does lunch earn more?	Offer and regular-order contribution, waste, extra payroll	Compare the whole lunch service on comparable days.
How much demand switches?	Customer answers and balanced weekday comparisons	Estimate a range for displaced regular orders.
Can the kitchen deliver?	Prep time, queues, abandonment, extra staff minutes	Protect the existing service standard.
Do customers return?	Repeat purchases across comparable services	Check demand beyond a launch spike.

Weather, local events and carryover limit what a single-café trial can establish.

Fictional café case. USD. All business inputs are illustrative.

The 20-day target has little headroom

Both boundaries assume the full planning ceiling of 200 offers.

$2.46

Maximum unit cost, approximately
At the base 28.6% switching share

35.4%

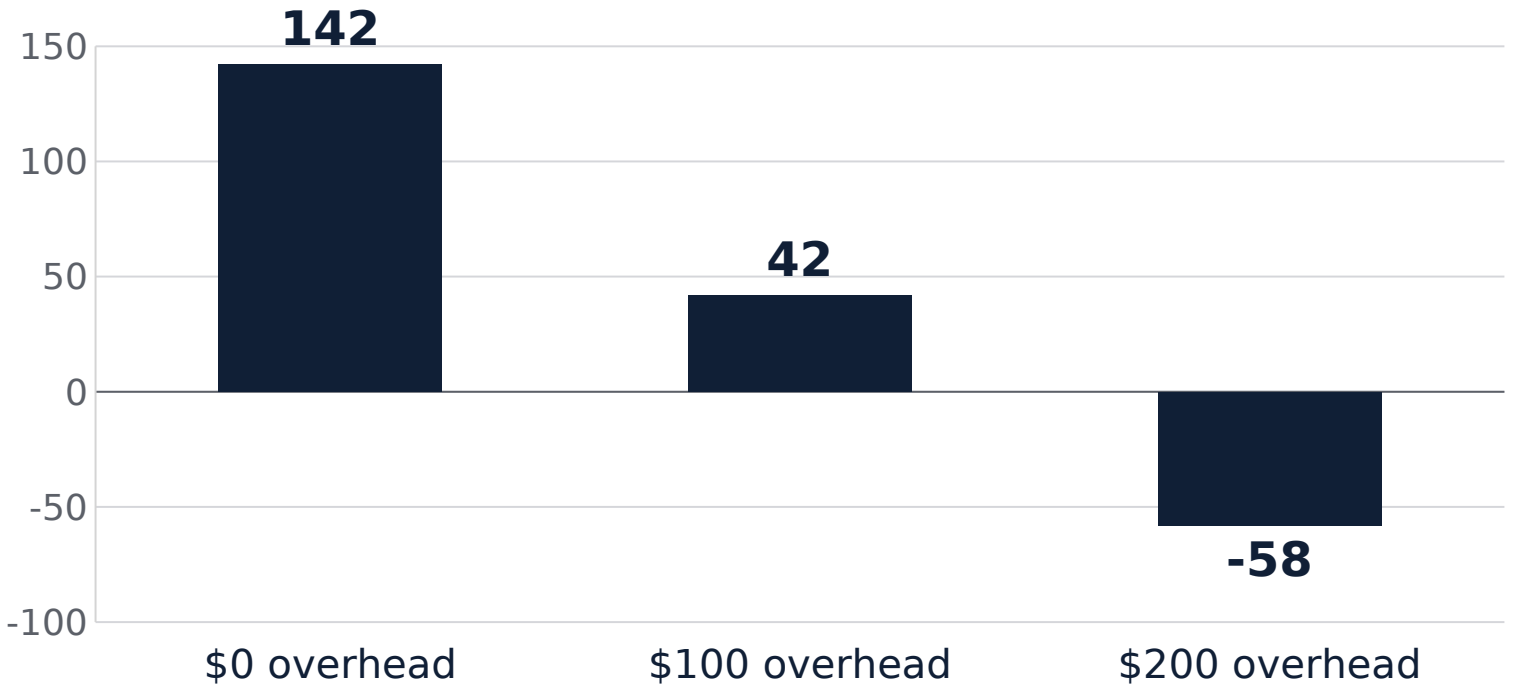
Maximum switching share, approximately
At $2.30 unit cost

Each boundary changes one input at a time. Combining both limits would overstate what the offer supports.

Fictional café case. USD. All business inputs are illustrative.

Continuation depends on recurring costs

Base recurring contribution: $142 per 20 selling days. Setup has already been incurred.



−$28

Initial launch result includes $170 setup

A positive recurring contribution still needs repeat demand and reliable service. Unchanged rent and tax remain outside this model.

Fictional café case. USD. All business inputs are illustrative.

Inputs that still need evidence

The model calculates consequences. The café must establish the inputs.

Input	Model assumption	Required check
Demand and switching	7 offers/day; 40 of 140 replace regular orders	Whole-service comparison and repeat purchasing
Unit economics	$4 price; $2.30 cost; $2.40 regular contribution	Quotes, ingredient yield, waste, payroll and payment fees
Setup allowance	$50 printing plus $120 preparation time	Separate cash spending from valued staff time
Available capacity	30 minutes/day; 3 minutes/offer	Peak-service timing and safe handling capacity

The companion CSV contains all assumptions, calculations and sensitivities.

Decision for the owner

The next commitment is a limited trial with an agreed loss ceiling.

Approval conditions

Supplier quotes support a positive margin.
A timing check protects regular service.
The owner approves the loss limit and review date.

Pause or stop conditions

Conservative inputs imply no recurring gain.
The trial reaches the approved loss limit.
The offer breaches the existing service standard.