

myBurgerLab: Building the ‘Charcoal’ Burger Buns Brand

Robin Cheng Taylor’s University, Malaysia
Postal address: 22 Jalan USJ 3/1E, 47600 Subang Jaya, Petaling Jaya,
MALAYSIA

RenYi
Myburgerlab, Malaysia

Abstract – The case focuses on the challenges faced by a Malaysian owned startup, myBurgerLab, in creating charcoal burgers with ‘local market responsiveness’ in 2012. What made myBurgerLab unique were the intense rigor of the product feasibility and the resourcefulness of the three young Malaysian partners. The effect of the partnership enabled myBurgerlab to achieve the sales scale for the burgers in ‘black’ from 200 to 600 burgers per night by the sixth month of the opening of the first store. myBurgerLab succeeded in developing a business model to survive independently in Malaysia and was optimistic on gaining return of investments (ROI) within 1.5 years. The pressure was on myBurgerLab to expand the business in Malaysia and internationally while maintaining quality efficiency.

Keywords: brand, food & beverage, opportunity, business model, myBurgerlab

1. INTRODUCTION

Cheah ChangMin and Teoh WeeKiat, co-founders of myBurgerLab stormed ecstatically into Chin RenYi’s office at 11.00am on 8 May 2013. myBurgerLab had exceeded sales of 600 burgers per day for five consecutive months again. myBurgerLab opened from 5pm - 10.30pm and aimed to sell 100 - 150 burgers on the week days and 200 burgers on the weekends, but since Day 1, the burgers were sold-out by 8.30pm. The Seapark Lab achieved the maximum production level of 550- 600 burgers per day or 110 burgers per hour by Jan 2013. Opinions were divided between RenYi and his two partners. ChangMin and WeeKiat felt that the business had a potential opportunity for growth. RenYi preferred to wait for another few months before making the decision to allocate further resources in the current lab or was it better to spend on establishing labs. He was in dilemma.

2. THE REFLECTION: 'WORK AND TRAVEL' PROGRAMME

RenYi had always worked part-time during the high school days. While undertaking undergraduate study at the University of Nottingham Malaysia campus, Chin RenYi grabbed the opportunity of his 3 months semester break to participate in the 'United States (US) Work and Travel' programme during 2005 - 2008. While travelling, the indulgence for food led him to undertake working stints as a service crew or waiter at various food and beverage companies in the States. The service culture in the restaurants was packaged in the form of service 'tip'. The 'tip' by the gourmet guests was an indication of satisfaction or appreciation towards the service of the food and beverage crews. An average tip of 10 – 15% would be contributed by gastronomy guests to the crews. During his working stints at the restaurants, RenYi received service tip of 20 – 30% from his customers. RenYi realized it was not just the food but the human psychological approaches towards dining were how he had done differently.

Another eye-opening experience at the States was when RenYi purchasing burgers at In-N-Out and Shake Shack during one of his trips to the West Coast. In the States, quick/fast-casual restaurants focused on sales at breakfast and lunch. He noticed that this segment had been experiencing strong growth as consumers continued to trade down to the lower-priced formats that offered fresh, high-quality meats, while other segments were experiencing a decline in customer traffic. Custom-made sandwiches and the burgers from the new retails were increasingly popular with affluent baby boomers and young professionals who liked the rapid and convenient service of traditional fast food restaurant, but made with fresh and specialty ingredients (such as bourbon-baked beans, fresh-cut seasoned fries, Hawaiian barbeque) which met the demand for convenient and fresh food. With hamburger known to be the staple food for daily consumption at the States, the fast-food giants (such as McDonald's) being the largest chains States naturally became the places consumers visited easily. As the other burger retails were entering the market, the consumers were willing to put up with long queues at the new burger retails with the 'made-to-order' concept. The personal experiences at In-N-Out and Shake Shack (see Exhibit 1) of provoked thoughts on turning similar burger gourmet into an opportunity in Malaysia:

- The beef was grinded, daily
- The buns or burgers were processed, daily
- The taste of the burger was 'different'
- 'Locally grown' (such as potatoes, tomatoes) was a key trend in the U.S. food and beverage industry. The farm was easily accessible within 60 miles radius from each operating outlet.

2.1 THE MALAYSIAN FOOD SERVICE INDUSTRY: OVERVIEW

The Malaysian food and beverage market was very developed and sophisticated and was supplied by both local and imported products. Malaysia imported about 70 percent of its food needs, including beef, lamb, dairy products, baking ingredients, pasta, and temperate fruits and vegetables. Urban consumers were relatively brand conscious and preferred to shop in stores, which offered convenience and good product selections. With a population of around 28 million, approximately 61 percent of its population falls into the middle to upper income group of consumers; with GDP per capita income of \$9,890 (USDA Foreign Agricultural Service, 2013). The rising per capita income and increasing urban population encouraged consumers to lead a more modern but busy lifestyle. With a trend towards meals that were convenient to prepare or ready to eat, consumers were also demanding more variety in their food, becoming accustomed to international cuisines including western foods, and healthier foods. The food service industry scene was providing new opportunities for food manufacturers (see Exhibit 2). The food service industry was segmented into four categories. The food service industry comprised of full service restaurants, fast food restaurants, small-to-medium independent food operators, cafes and bars. The definitions of each segment were given in Exhibit 3.

The factors that might affect competition among players in the food service segment were pricing and branding. Foreign branded food service were said to be priced slightly higher than the local restaurants. The licensed franchise operators had little control in pricing as the pricing was determined by the local franchisor. However, non-franchise and independent food service operators had more flexibility in adjusting prices to attract customers. The licensed franchise operators were more regulated with the franchisor setting the standards of operation and the fluctuation in the supplier's prices was not immediately passed on to the customers. This would result higher operating costs for franchised operators but were known to have more budget in research and development; and advertising, in contrast with the non-franchised or independent food service operators. With access to funding, chained restaurant brands were able to promote their brands and conduct research and development work compared to the individual or local restaurant food operators that were conservative in their budgets.

Food service operators could be a foreign brand or a home-grown brand. There were a growing number of young Malaysians drawn to foreign brands due to western exposure or influence. Foreign branded restaurants were perceived to be better in quality control and more 'trendy' as compared to the local restaurants offering similar services. However, customers were willing to pay a premium for the dining experience and 'ambience' despite. While price was a key aspect of value, other elements such as quality, taste and convenience became the overall value in the industry.

2.2 THE BURGER CATEGORY IN MALAYSIA

The major burger chain brands in Malaysia comprised of international brands. All the consumers were able to strongly associate burgers with the mass-market fast-food brands: McDonald's brand, A&W, Burger King, TGI Friday's and Carl's Junior (see Exhibit 4). There were upcoming trends of independent gourmet burgers but these restaurant, whether in size and revenues, were nowhere near the international brands. The study conducted by Technomic (please refer <http://www.burgerbusiness.com/?p=10283>) showed that thirty-nine per cent of respondents in the States reporting that they would spend five per cent or more on a 'premium' burger. On a subsequent study, sixty-nine per cent of respondents completely agree or agree that a high-quality cut of meat was what made a premium burger, while sixty five per cent believed that burgers featuring a high-quality type of beef should also be considered premium. The growing demand for high-quality burgers, coupled with a 'better burger' model were considered to the success of a burger business. The study also suggested new or/and struggling gourmet businesses to consider new, exciting and innovative burgers approaches. Opening a burger joint could require start-up costs of RM200,000 to RM400,000. Ironically, the growing contemporary brands in Malaysia were setting the trend by creating a new niche of adventurous and creative patties to the customers. The gradual evolution towards exciting and sustainable ingredients began from basic burger offerings at Ramly Burgers, the local street burger. The contemporary burger brands in the urban and/or suburbans of Malaysia were presented in Exhibit 5.

3. ORGANISATIONAL STRUCTURE

RenYi and his two friends (please see Exhibit 6) are the key people involved in running the business. While there is no formal management structure, the role that each of them plays are described below:

Chin RenYi, 33 years old. He has a degree in mechanical engineering and is responsible for all marketing and external relations including managing relationships with suppliers, customers and liaison with external parties. He also takes charge of the general administrative function. With 3-year barista experiences at Starbuck and Barista Guild Asia, waiter stints from the dining restaurants, corporate parties abroad and locally, RenYi introduced 'burger' with 'blend of West-meets-Asian gourmet experience'. He conducts experiments on burgers regularly.

Cheah ChangMing, 31 years old. His parents own 40-year-old-chinese restaurant. A graduate from the same school as RenYi, he works for two years and has part-time experience in a Chinese Restaurant in UK while studying.

He oversees the production of food in the kitchen, including purchasing, stock management, quality control, work-in-progress, finished products scheduling and quality control. ChangMing has more than 10 part-time production staff reporting to him. Both of them take pride in examining different food variables and adopt methodical approach on food innovation.

Teoh WeeKiat, 26 years old. With a three-year degree in Finance and Accounting, he keeps all records of the company's finances, prepares cash-flow reports, the financial statements, human resource and the administrative functions. WeeKiat uses his training at Wunderman, New York City and banking work experience to manage revenue-cost controls by putting staff training and product development first, followed by advertising campaigns. Well-read on innovative approaches across the world, he was also known as the business catalyst. He implements the Lean Startup Methodology and persuades his partners to explore 'Blue Ocean Strategy'.

With monthly gross sales of RM20,000, myBurgerLab is currently employing more than 30 shopfloor workers. About 95 per cent of the operatives are part-time students or the lab geeks (please refer to Exhibit 7). Majority of them were not culinary trained. Since the founders learned about the food business while studying and working part-time, they believed in extending the opportunity to young people with no food and beverage backgrounds to work at myBurgerLab.

4. THE FOOD 'SCIENTISTS'

During September to December 2011, RenYi invited Changming to conduct research on cafes. They talked to distributors, restaurant managers, café and fast-food owners. The partners retrieved recipes on burgers from the social media and tested them at home. A few weeks later, the entrepreneurs felt they needed another person who could help them to manage the areas of book-keeping. WeeKiat, who was working in New York was asked if he was keen in opening a café venture. Before returning to Malaysia, RenYi encouraged WeeKiat to experience burgers at Shake Shack and In-N-Out in the States.

When WeeKiat returned from the States in Dec, RenYi pitched the business idea to WeeKiat. A part-time lead barrister, then at The Red BeanBag Restaurant, RenYi applied the LeanStartup Methodology by spending as little as possible, learning as much as possible and failing as quickly as possible on the advice of WeeKiat. Using his contact at work, who was also a friend and employer, RenYi sought permission to set up a kiosk at The Red Beanbag Restaurant for RM150 per night (see Exhibit 8). The Red Beanbag Restaurant had just started its operations and the restaurant was

only opened for breakfast and lunch. With an accumulated of RM3,000 myBurgerLab scheduled 10 research sessions at The Red Beanbag. The founders contributed equally to the research. The bootstrap funding was used to offset weekly research expenses: kiosk rental and production of approximately 50 hamburgers sampling of various flavours. myBurgerLab aimed to get a winning taste formulae as early possible and build a cult follower within the social media communities. During February – April 2012, myBurgerLab improved the preparation methods, conducted flavours matching and gathered information on the burger value the test groups would be willing to pay. The test groups were families, friends and walk-in customers. myBurgerLab was strongly driven by rigorous tests and controls on each variable (the ingredient): onions, sugar, flour, salt, milk, eggs, tomatoes, mushrooms, mayonnaise, beef and chicken breasts patty, butter, sauce and the errors were achieved by the next research session. If the buns were not tender, the founders would adjust the water variable until the buns had the right texture and vice versa.

During the first four research sessions, myBurgerLab implanted the Tip Jar payment system (see Exhibit 9). Under this system, the value of the burgers was measured by the perceptions of the test groups. myBurgerLab also made efforts for the test groups to be aware of the price menu during ordering, but customers were allowed to pay the value of the burger they felt would worth. myBurgerLab used the social media sites to document the product processes. By the fifth session, myBurger replaced the Tip Jar payment system with the actual price menu system. During the two months, myBurgerLab continued introducing different flavours or taste of white buns. By the seventh session, the myBurgerLab facebook fan page reached 200. myBurgerLab realized that referrals by satisfied customers would create a much greater awareness of the company in the early stages of the service product's lifecycle. With only two remaining sessions, the founders realized on one hand, a 'local market responsiveness' burger for viral marketing; on the other hand, they needed RM200,000 – RM250,000 to build the brand. myBurgerLab decided to pursue a new market by providing value in their product offerings and enhancing its cost-efficiency through the Blue Ocean Strategy in February/March 2012.

When shopping for ingredients one day, myBurgerLab noticed the 'chaocoal' powder on the shelve and explored this ingredient from the supplier. myBurgerLab decided to use this ingredient for their bun. They also perfected the signature patty using a combination of Australian beef bresket and chuck, with the patty topped with Californian cheddar and Swiss cheese. myBurgerLab knew that they had to get people talking about their buns. The fan page scaled from 500 – 700, three weeks prior to the opening of the black buns or 'chaocoal burger'. After the 10th session, customers were saying: You should open your own shop. That was when myBurgerLab began to go around looking for locations. The ten sampling session completed in April 2012. By then, the social media fans wanted to know

where to get the 'black' color buns. myBurgerLab had found the winning formulae to delight their customers and an innovation that would differentiate themselves from its competitors.

5. THE LEAN STARTUP METHODOLOGY

The suburban areas were targeted as myBurgerLab was trying to stay away from the burger competitions and contribute to the local community. Surrounded by middle-class (Petaling Jaya) township, several adjacent neighbourhoods (Damansara, Subang Jaya, Shah Alam), more than one educational institution within 5km radius and 30-40-year-old business tenants (with not one of the eighty plus business units offering burgers), myBurgerLab found the 52' by 25' space (previously a warehouse) to be an ideal place to revive the local community with its new burger buns offerings; and the current tenants could allow myBurgerLab to enjoy high barrier of entry towards its competitors. myBurgerLab was fairly price sensitive with the rental. The suburban rentals of RM10,000 in the vicinity were very competitive and myBurgerLab felt that the rental of RM3,000 at the Seapark Lab was able to help reduce the operating costs significantly. A friend from Pax Design helped with the renovations and interior design of the company. They received advice from friends who provided supplier listing support on the kitchen equipment and supplies.

On 10 July 2012, together with another three investors myBurgerLab opened the first store with seat capacity of 45 to 50 people. With floor size of 31' by 13', the kitchen became the pilot area to conduct the lean startup (LS) innovation to enable it achieve cost advantage. myBurgerLab aimed to eliminate waste from the first day and they had to reduce or minimize its system variability to achieve maximum efficiency and minimum operation costs. Each work or task station in the kitchen at myBurgerLab was visible to the rest of the station. The improvements made in a particular task were communicated to the rest of the task stations. The practical training at the kitchen focused on simple and easily-applied tools (see Exhibit 10). To reduce variability, the task station was standardized, through the step-by-step work procedures. Some immediate feedbacks on the task stations were acknowledged and the employees were encouraged to put the suggestions into use. With the management's continual support of the Lean initiative, greater transparency and direct contact with the shop floor, the task standardization by the workers through a structured coordination and achievements created feelings of ownership.

6. THE (UN)EXPECTED CHALLENGES

Fadzilah Najumudeen from STAR and a well-known food blogger came to the Seapark Lab one week before the opening of the first store and provided reviews on the burgers. A popular food and beverage blogger Edrink Kl.com came on the first day and the good reviews generated interests came from the society. Being coffee enthusiasts, myBurgerLab had loaned coffee machine and it wanted to serve coffee in addition to the burger buns. The responses for the burger buns returned for burgers compared to coffee. It became a challenge to manage the demand for coffee and burger bun orders at the same time. myBurgerLab tried implementing improvements on the processes quickly thereafter; but the customers was becoming more socially aware of its burgers and burger looked to be a viable option than coffee. myBurgerLab eventually returned the coffee machine to the company who loaned it to them a week later.

The Lab opened at 5pm. The burgers were sold out within the first three of the five hours on the first three days. It was only 8pm. There was a long waiting queue and the customers had been on one hour waiting time when the order for the 150th burger was made. The customers would be served 30 – 45 minutes thereafter. myBurgerLab took an average of an hour for 50 burgers to be ready and served; and they used the same production and sales forecasts when baking the burgers or preparing the patties. With highly labour intensive work processes, they used 6 hours from 10am – 4pm to grind the beef, prepare the patties and bake the burgers. They would be serving about eleven to fifteen types of burgers every night. When making final round production check at 4.30pm on Day 4, myBurgerLab discovered the grind beef was not properly chilled and had become soft and mushy. The quality of the patties had been compromised and more than three quarters of the patties had to be disposed. myBurgerLab decided to serve for the first half an hour for the customers who had queued by 4.30pm. They closed at 5.30pm on Day 4 and immediately conducted brainstorming sessions with the employees. Although the efficiency of the employees continued to improve by preparing 80 to 110 burgers per hour, the long waiting time continued to cause some customers to discontinue patronizing myBurgerLab despite implementation of the automatic digital calling number system.

One of the employees, who observed the early success of a burger business, resigned on January 2013 and opened Crayon Burger. myBurgerLab regarded competitions as healthy but the exit of the staff caused the company to be caution with the documentations on its sourcing, preparation and cooking processes which were fairly easy to retrieve at the premise. As the systems, culture, work structures within the company were strengthened, the company also re-structured its hiring procedures.

When myBurgerLab were selling 50-50 black and white burgers, the negative feedback received was the burgers did not look good and appeared to be hangus (burnt)! myBurgerLab was dismayed. They began to think of how

to package the burgers. Since the first time customers were regarded as the ambassadors for the company, myBurgerLab put attention on the portrayal of the burgers and ensured that the burgers were instagrammable by the customers. The social media savvy customers who consisted of food enthusiasts, food reviewers and independent bloggers began creating and sharing burger photos of myBurgerLab on instalgram. When the burgers 'in black' sold out early than the white burgers, myBurgerLab decided to offer black colored burgers only in February 2013. The identity of 'charcoal made' burgers stayed on thereafter.

The kitchen or 'lab' became the place for the employees to engage on burger innovations through learning, researching, testing, failing, trying again and succeeding. Every month, the employees were invited to the food calls days where employees with great ideas could present personalised recipes to co-founders and a panel of invited guests. The non-competitive sessions enabled myBurgerlab to introduce new offerings every month for two weeks. myBurgerLab used an unconventional way to name their 120 gram burgers. Some of the funny and catchy names included The Hangover, Elvis and The Bomb, The Beautiful Mess, The Viven's Husband, The Hulk, KickInTheFace, The Seattle, The Geisha, The WaterBalloon, The Seattle. To help ease the customer meal selection at myBurgerLab, every employee was given a card to taste any five types of burger at the Lab. The employees were empowered to take ownership of personal tasting experiences and provide recommendations to the customers who were undecided over the choices of burger.

Among the highest influential customers who had provided culinary opinions to the public were timeoutkl.com whom myBurgerLab received the Best Western Restaurant Award 2012, tripadvisor.com, wonderful Malaysia.com, joinme.com, venusbuzz.com, malaysianfoodie.com, goatou.com, onestopmalaysia.com, dinemalaysia.com, pinterest.com, shokutsu.net, friedchillies.com. The food reviewers and bloggers served as interactive online mediums for the public on the alternative food trend: burgers. myBurgerLab used the students and young working professionals feedback on its products and processes from the social media to proactively adapt to the expectations of the customers. myBurgerLab continued to use blogsites and facebook to communicate with the customers and generate responses and trends without incurring advertising or marketing related expenses yet. The burger output efficiencies had improved, but the perception of the public on the long waiting period remained unchanged although the standard waiting time for cooked to order burgers could take between 10 to 20 minutes to get to the customers.

With the retained profits from the Seapark Lab, myBurgerLab expanded another store: OUG Lab in September 2013 by collaborating with the local gourmet businesses: Forty Licks ice cream/milkshakes and Smooshie Juice. Smooshie Juice and Forty Licks were also available at the first store. myBurgerLab had replicated the business

model from the Seapark Lab with an increase of 2-5 percent of employees. The performances of the OUG Lab were not very encouraging, which made myBurgerLab decide to focus on the marketing strategy to lay the foundation for long term sustainability and growth of their initiatives. One of the initiatives which myBurgerLab implemented was giving the employees located at the Seapark Lab five free burgers when they were at the OUG Lab.

APPENDIX

Exhibit 1: Two Best 50 Companies to Work for in U.S.



(Left-Right) In-N-Out [Rank No 9]; Shake Shack

Source: Business Insider, 2013

Exhibit 2: Top Five Suppliers of Consumer Food (\$'000)

Rank	Import Market	2010	2011	2012
1	China	755,671	825,290	797,992
2	India	542,417	609,567	613,614
3	New Zealand	455,870	584,957	607,546
4	Australia	343,670	417,559	469,911
5	United States	342,277	444,260	469,720
	Others	1,688,643	2,091,028	2,374,142
	TOTAL	4,128,548	4,972,661	5,332,925

Source: USDA Foreign Agricultural Service, 2013

Exhibit 3: Definitions of Industry Segments

Industry Segment	Definition
Full Service Restaurants (FSR)	Include restaurants that provide dine in services, with a sit down and serve concept.
Fast Food Restaurants	Include outlets that provide dine in services, with a self service concept.
Small-to-medium Independent Food Operators	Include the “mamak stalls” (operated and owned by Indian Muslims), Food Stalls, Kiosks and Street Vendors.
Cafes and Bars	Include restaurants where drinks and light snacks are offered, with a sit down and serve concept / self-service concept

Source: Prospectus of Berjaya Food Berhad, 31 January 2011

Exhibit 4: Leading Burger Chain Brands in Malaysia

Brand Name	Brand Owner / Operator	Category	Restaurants As at 30 July 2010
McDonald's	Golden Arches Restaurants	Fast Food	196
A & W	A & W (M) Sdn Bhd (KUB Malaysia Bhd)	Fast Food	43
Burger King	Cosmo Restaurants Sdn Bhd	Fast Food	22
TGI Friday's	ChasWood Resources Sdn Bhd	Full Service Restaurants	13
Carl's Junior	Aspac Sdn Bhd	Fast Food	5

Source: USDA Foreign Agricultural Service, 2010

Exhibit 5: Contemporary Burger Joints Brands in Malaysia

Brand Name	Restaurants As at 24 April 2013	Price Range, RM	Opening Hours
Burger Kaw Kaw	7	RM7 to 22	6.30pm – 2am
myBurgerLab	2	RM11 to 20	5am – 10.30pm
Hardcore Burger	1	RM11 to 18	5pm – 12am
Volka Burger	1	RM8.90-23.90	5pm – 12pm
Chilli Rush	1	RM11 to 12	
Smashies Burger	1	RM11 to 20	6pm – 11.30pm
Burger Junkyard	1	RM11 to 20	12pm – 3pm;
The Grind Burger Bar	1	RM14 to 24	6pm – 10pm

Killer Gourmet Burger (KGB)	1	RM15.90	5pm – 11pm
Cristang	1	RM19	11am – 3pm; 5.30pm – 11pm
Burgertory	1	RM13 to 24	6pm – 11pm
Burger & Ribs	1	RM11 to 40	6pm – 10pm
Fatboy's the Burger Bar	1	RM16 to 30	11am – 11pm
The Daily Grind	1	RM24 to 58	11am – 11pm

Source: Compilation from social media sites

Exhibit 6 (from left): ChangMing, RenYi, WeeKiat



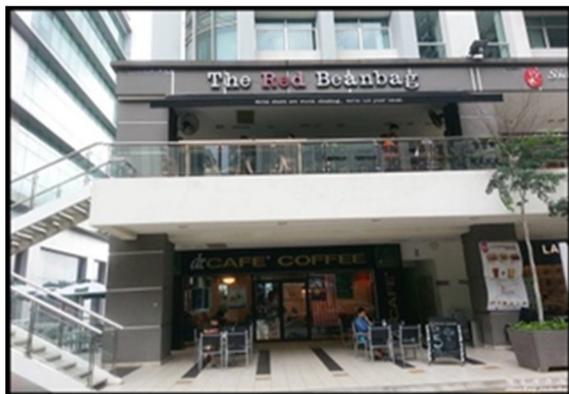
Source: Organisational archives

Exhibit 7: The Lab Geeks



Source: Organisational archives

Exhibit 8: Research Facility, The Red Beanbag



Source: Organisational archives

Exhibit 9: The Tip System



Source: Organisational archives

Exhibit 10: The Facilities at the Kitchen of myBurgerLab



Source: Firm Archives

Teaching Notes

Case synopsis:

In 2012, 'myBurgerLab' name was conceptualized by three young Malaysian after ten nights of 'scientific' experimentation for a unique burger with 'fresh' fillings daily. myBurgerLab prepared an average of 550 burgers in 'black' on a week day or 110 burgers per hour upon order from 5pm to 10pm. The two engineers RenYi and ChangMing; and accountant WeeKiat together with a team of non-permanent and non-culinary background employees continued to pursue food innovation every two weeks. The patties and the burgers were sold out by 9.30pm. The labour intensive ingredients preparation began at 11am until 3pm. The four hours were adequately used to make the buns, blend the patty or sauce for, pack and deliver the semi-processed raw materials for sales at the store. With the demand of the Seapark Lab often exceeded the supply starting the second half of the year, maintaining food quality and meeting adequate supply of food had become a constant challenge for a single business unit. With the growth of business at myBurgerLab scaling phenomenally from the demand of semi-processed raw materials, myBurgerLab was having a difficult strategic decision: Will the resources be focused on the first business unit only, or the resources be evenly concentrated on one business unit every year?

Target audience:

- undergraduate first year students undertaking the entrepreneurship
- non-business students undertaking the entrepreneurship

Pre-requisite(s):

NIL

Learning Objectives

1. From this case study, how do you rate the importance of having a vibrant social and professional network? Support your answers.
2. Discuss the non-financial resources that are critical to myBurgerLab.
3. Apply the following feasibility analysis on myBurgerLab using the potential scale (low-moderate-high): product/service, organizational and market feasibility analysis.
4. What are the challenges faced by myBurgerLab? What are your comments on the solutions implemented by myBurgerLab?

Teaching Plan

Supporting materials:

- An video interview with the RenYi, the founder of myBurgerLab
<http://www.youtube.com/watch?v=Y5r-B6bahtE>

Suggested Answers

1. From this case study, how do you rate the importance of having a vibrant social and professional network? Support your answers.
 It is very important.
 - Partnership: Renyi and ChangMing were course-mates; WeeKiat was a friend.
 - Research development @The Red Beanbag: a friend and employer

- Investors from professional network group
 - Renovation and interior design by Pax Desing: a professional working network friend
 - Kitchen supplies and equipment list: recommended by friends
 - Collaborations with ice-cream, milkshake, juice vendors by professional network
 - Customer preferences trends observations on social media channels
2. Discuss the non-financial resources that are critical to myBurgerLab.
- Space for research development
 - Appropriate space available for rent at a suburban area to open the first burger store
 - Resourcefulness and intellectual of the partners
 - Leased the kitchen equipment to operate the business
 - Formed favourable business partnerships with The Red Beanbag, Pax Desing, Forty Licks and Smooshie Juice
3. Apply the following feasibility analysis on myBurgerLab using the potential scale (low-moderate-high): product/service, organizational and market.

Product/Service feasibility analysis

- Timeliness of entry to market: Moderate – very timely by creating contemporary burger business niche
- Takes advantage of an environmental trend: Moderate – Strong (offered an alternative food trend in Malaysia post-Ramly Burger models)
- Solves a problem: Weak – Moderate (burger is a replacement or substitute meal in Malaysia)
- Adds value for the customers: Weak-Moderate
- Extent to which customer is satisfied by competing products that are already available : Weak-Moderate
- Degree to which customers change their basic practices or behaviours: Weak-Moderate

Organisational feasibility analysis

- Experience in the industry: Low-Moderate (Working experience in the food service restaurant in the States)
- Founders' skills to the new venture product/service: Moderate (Two of the founders gained part time experiences as barrister, waiter, Chinese business restaurant)
- Extent of founders' professional and social networks in the industry: Moderate-High (please extract answers from question one)
- Putting a team together to launch and grow the venture: Moderate – High (Renyi, ChangMing and WeeKiat were and are still the stakeholders of myBurgerLab)

Market feasibility analysis

- Identification of target market for the new venture: Moderate-High
- Able to create 'barriers to entry' for potential competitors: Low-Moderate
- Purchasing power of customers: Low-moderate
- Ease of making customers aware of the new product or service: Moderate-High (broadband market and social media market enabled myBurgerLab to be effective in driving the brand)
- Growth potential of target market: Moderate - High

4. What are the challenges faced by myBurgerLab?
 - Challenge 1: Optimum demand; Solution: Improve production efficiency
 - Challenge 2: Long waiting time; Solution: Implement digital calling number system
 - Challenge 3: Weak-moderate demand; Solution: Five free burgers for Seapark employees patronizing OUG Lab