Elora King

Reed Nelson

MGMT 484

10/7/19

New Product/Service

I would have Rouses remove the mongolian grill and replacing it with a cajun kitchen to prepare ready to go meals for local families at a best cost strategy. Currently, the only ready made meals Rouses offers are gumbo and jambalaya. Their catering services offer more local cuisine but nothing immediate for consumers. Rouses has the benefit of already having the materials available to them being a grocer thus not needing to find suppliers.

The biggest cost to Rouses for this endeavour would be removing the grill and remodeling the area to support a small kitchen specific to Cajun food and not connected to the deli. The estimation prices will be between \$15,000-\$50,000 depending on the final size of the area and appliances. One company was quoted to be roughly \$250/square foot for small kitchen remodeling. This does not include employment or training costs.

Costs for food would be based on the catering prices. Serving prices will be between \$2.00 - \$3.50 if we're only looking at making the food in bulk. This does not factor individual

containers and bags which would have their own separate costs so we can probably expect final prices to be averaged between \$4.00-\$5.00 per serving to compensate.

In order for this venture to be successful, Rouses would need to market the fact that they have the new service separate from their weekly ads. Rouses wants to appeal to the local and nearby Acadiana areas and what better way to do so than by offering homemade style local cuisine? The grocer can show off what consumers can do with its food and they can judge the quality for themselves. They provide a service with more meal varieties more in tune with local tastes and utilize the grocer's own supplies.