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Connected Smart Refrigerators providing Affordable Fresh Food to Hospitals, Gyms, Apartment Buildings and Schools



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CEOCFO: *Ms. Mokri, would you tell us about Byte Foods?*

Ms. Mokri: We provide businesses with smart, IoT connected refrigerators to offer the most efficient and affordable fresh food solutions in offices, hospitals, gyms, apartment buildings, and schools.

CEOCFO: *What do you mean by connecting refrigerators?*

Ms. Mokri: If you are standing in front of a connected refrigerator it looks like a normal glass front refrigerator, but what Byte Foods' proprietary technology does is make them smart. Our technology allows someone to purchase a salad or other fresh product and we automatically know what is removed from the fridge and charge that individual accordingly. That's the user experience. But looking behind the scenes, we have real-time visibility into the inventories across our entire fleet, down the shelf life of every product in every fridge, in real time. That data means we can optimize the assortment to the specific demographic of a given location and make this a very customized and personalized retail experience for the consumers at a given location.

CEOCFO: *What is it about our lifestyle today that would make this a growing area?*

Ms. Mokri: The problem we're solving is getting fresh meals into offices in an affordable way. 99% of offices have no fresh meals onsite and that means employees need to either pack their lunch, drive to the nearest restaurant or stand in line at the local deli. Byte is now supporting hundreds of offices and tens of thousands of employees throughout the Bay Area, from top law firms, to factory employees and video game developers. One of the exciting things we're seeing is Byte's service works across any type of business. From non-profits to education to healthcare and high-tech. Customers think of Byte as an extension of Whole Foods' grab-and-go selection but it's steps away from their desk. Companies like Facebook, Google, Yahoo and others have figured out the productivity hack of offering fresh food at the office. Their employees are happier, healthier and more productive, but not many businesses can afford a corporate perk like that. With Byte, any company can afford to offer fresh, healthy food in the office, 24hours a day.

CEOCFO: *How do you handle refilling of the machines?*

Ms. Mokri: This is where the data becomes really important. In real-time, we are getting transactions sent into the cloud. We've created algorithms that look at the data and that dictates how much of every skew is ordered each day. With fresh product, once it's ordered it has a ticking clock until it expires. That is a risk and that is largely why you have not seen a solution like this in the market, because without this real-time data, there is no way to provide a self-service grab and go fresh food option. The data dictates what we are ordering and when. It also allows us to prepare deliveries at our central

distribution center because we can see in real-time what the current inventory is across our fleet paired with the transaction history to know precisely what assortment needs to be delivered, when. In most locations we're actually able to deliver after hours, when there's less traffic and fewer disruptions to the employees working. Routes don't change week to week because generally with the first month of services we have an idea how often we need to replenish the fridge.

CEOCFO: How do you keep on top of the food companies to make sure they are doing what they can to keep the food in the healthiest way and that there are no recalls?

Ms. Mokri: We have a rigorous on-boarding process for our food partners. Part of the beauty of Byte solution is the breadth of partners we work with, everyone from a local maker at a farmer's market to brands that employees know and love that you'd see on the shelves in a Whole Foods. It starts with the on-boarding process and making sure they have health permits and business license requirements complete. We have a forager that manages the process for Byte and that person does tastings in the office and shelf testing to understand how the product will hold up in our fridge. Only at that point do we decide whether or not to on-board a provider. Another aspect that makes Byte unique is the fact that we have feedback data. When you consider a grocery store you have customers buying product but the loop isn't closed to understand how those individuals are making purchases. Suppliers run into the same constraints when working with restaurants. We send a receipt after every transaction, that gets emailed to a user and in that receipt they have the ability to leave feedback ratings. That allows us to have our finger on the pulse of products that may not be doing well or doing better than we could expect.

"We provide businesses with smart, IoT connected refrigerators to offer the most efficient and affordable fresh food solutions in offices... Our technology allows someone to purchase a salad or other fresh product and we automatically know what is removed from the fridge and charge that individual accordingly." - Megan Mokri

CEOCFO: What surprised you and what have you learned as Byte has developed?

Ms. Mokri: We have learned that breakfast needs just a steady standard assortment of products. People can eat the same breakfast burrito three or four days a week and that variety is not necessarily needed for that meal. However, for lunch or dinner purchases, a variety of meal options are incredibly important. There is something about us humans that makes us not want to eat the same lunch day in and day out. Another interesting data point is when you look at 'linger time,' how long that refrigerator door remains open during a transaction we found that on average the ten fastest purchasers have male names and nine of the ten names with the longest 'linger time' are female names.



CEOCFO: Who are you speaking with at a company and what are you finding when you make your approach?

Ms. Mokri: We generally engage with either somebody in the facilities department, an HR manager, or sometimes it will be an office manager. The reaction when we get somebody on the phone, countless times we have heard they had been looking for something like this for years, which is fantastic to hear because there is an acute need for an affordable way to get meals into the workplace.

CEOCFO: What is your geographic reach today?

Ms. Mokri: Byte's full-service option where we place the fridge in a business and stock the fresh food each day reaches the entire San Francisco Bay Area. Byte also licenses the technology to select food service companies. Our licensing partners are live everywhere from Hawaii to D.C. When licensing the technology the operator pays a technology licensing fee and manages stocking of the machine.

CEOCFO: *Who determines the cost of the product?*

Ms. Mokri: There are two ways to look at that question. The retail price of the food products themselves are largely set as a mix between the suggested retail prices from the food maker and Byte. That being said, the businesses that we work with can also choose to subsidize the cost of the food in the fridge to their employees. Because our pricing is so flexible and dynamic, our customers can choose to subsidize the fridge after hours or in the morning to support employees staying late or coming in early. They have the option to subsidize only fresh food or health options. They can do promo happy hours at random for their employees. The sky is the limit in terms of how they are able to bring down the cost of that food for their employees if they choose to do so. This past weekend was a holiday weekend where most offices were closed. The Friday before, we did a 40% off happy hour on all of our fresh food simply because we knew if there were any salads left that did not sell on Friday, they would come back to us as spoilage. We can leverage that marketing tactic to also enhance our operations and ultimately deliver a better experience to consumers as well.

CEOCFO: *Do people take home some of the food?*

Ms. Mokri: They absolutely do. We have some interesting stuff on the horizon that actually targets that end-of-day purchase, bringing it home to the user.

CEOCFO: *What is next for Byte?*

Ms. Mokri: We are focused on scaling operations here in San Francisco Bay area and expanding into the Sacramento market. That is what you will see us doing in the near future.

CEOCFO: *Are you seeking funding or partnerships?*

Ms. Mokri: We are not seeking funding right now. We are laser focused on execution.

CEOCFO: *Why pay attention to Byte?*

Ms. Mokri: We are seeing significant changes under foot in terms of how everyday Americans demand convenience and quality from their food. They are not willing to make that tradeoff. If convenience means a gas station chili dog that they can reheat in the microwave, they're not interested. The convenience needs to be paired with high quality product and that is exactly what Byte does. When you look at all the solutions in the market to make peoples' lives easier when it comes to food whether it is meal kits or on-demand meal delivery, Byte really does offer the most convenient solution. Steps away right when hunger strikes and you have a very affordable but high quality meal option. Everything in our fridge has clean ingredients. You will never find preservatives in food Byte serves.

