

# StreetCube

Former chef Pascal Gerrard has launched StreetCube, a start-up that converts upcycled shipping containers into professional semi-permanent solar-powered kitchens. The aim is to give independent chefs a platform to operate small-scale businesses serving sustainable organic food at the heart of local communities

Pascal Gerrard My project is focused on food and sustainability and reducing CO<sub>2</sub> and improving public health. I wanted to tackle that by empowering chefs to champion a more sustainable food future. Our city centres are our public spaces where the majority of people shop and mingle. As a chef, I'm horrified by the way these centres are populated with unsustainable food chains that prioritise profit rather than nutrition, taste or sustainability. The only place I see chefs being empowered is in street-food markets where good, affordable food is cooked with passion and pride, but often with a lack of awareness around sustainability and nutrition. Pop-up culture has produced some great results. But by its very nature it's here today, gone tomorrow. There's no opportunity for the chef to establish a lasting relationship with their audience. I wanted to find a way to help young chefs set up business at the heart of their communities and to challenge them to offer more nutritious food.

Using disused shipping containers I've designed a semi-permanent professional kitchen. We look for locations in busy public places and young chefs who want to operate their own kitchen. The chef has to agree to commit to using local, seasonal, organic produce.

I spent two years in Bournemouth trying to sell my idea to the council and get hold of a site, but didn't get anywhere. Things only started to come together when I picked up the phone to Land Securities and asked them for space. We now have two kitchens on site in Wandsworth. We launched the first cube in May. Raymond Blanc came to the opening. We are reducing CO<sub>2</sub> by a kilo every day. There is no plastic and no food waste – nothing goes to landfill. We are looking for places to install more cubes.

Digby Summerhill What do you actually need? If I could write you a cheque now, would you be after enough cash to get more cubes in more locations?

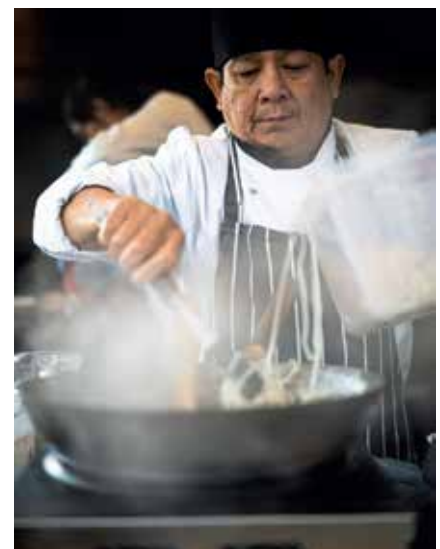
Pascal Gerrard What I need now is more sites. For that I need exposure. And I need connections. So I'm looking for any help with press coverage and with links into government.

Isabel Allen But is access to sites enough? If you had space to put in 10 more cubes would you have the capital to do that?



Above: the first two StreetCubes are up and running in Wandsworth. The aim is for clusters of cubes across the city, the UK and potentially the world

Below: StreetCube offers an opportunity for chefs to own and operate their own business serving seasonal, organic, locally sourced food



PHOTOGRAPHS BY FRANCIS PAYNE



Pascal Gerrard I'd need financial help to install more than five cubes.

Isabel Allen Then it needs to be framed as a business model. At the moment you're presenting it as a social, philanthropic model, but it feels as though you have the makings of a scaleable business model which could be framed as a pretty straightforward investment pitch. In simple terms, what are the costs and what are the profits?

Pascal Gerrard It costs £ 25,000 to build and install each cube. I negotiate a reduced rent with the landowner on the basis of the benefits it brings – reduced CO<sub>2</sub>, improvements to the neighbourhood. The chef rents the cube from me. In Wandsworth the chef pays £ 75 a day.

Isabel Allen Would you consider marketing and selling the cube as a product for an upfront one-off cost?

Pascal Gerrard No. Because then you lose control over the ethos. You wouldn't be able to be prescriptive about things like sustainability.

Digby Summerhill Could you cover that with contracts? The sustainability label becomes part of the overall brand. When a consumer goes there they know what they are buying. The chef can buy a cube as a franchise. That jumps out to me as a workable model that you can easily scale up.

Pascal Gerrard I can see the cube as a mobile solution: a kitchen on wheels. A chef could buy it on a lease and maybe use it for festivals or events.

Soheb Panja A good way to mitigate risk and grow at scale would be to look at platforms like Deliveroo. By tapping into that model you open up to a much bigger market. You have a niche. You can give people what no one else is offering.

Amy Zamarripa Solis Could this be a place for people to learn new skills? You could look at, say, a six-month programme for people to learn about food. A lot of councils are looking at micro-sites for new businesses. A big focus for us, and for a lot of community funding, is job creation and giving people opportunities to learn skills and routes to employment. The National Lottery-funded programmes also fit this bill.

Alex Nicholson What is your average revenue per day?

Pascal Gerrard At the moment the chefs take around £ 500-£ 600 day.

Alex Nicholson That's a workable business model. You offer chefs a service contract. You could get the chefs to search out sites for you and scale up pretty quickly. You just need to package it. You just need the cash model. You need to work out future revenues. We can help you with that.

## StreetCube – what happened next?

Following the How to Pitch It event, Alex Nicholson invited Pascal Gerrard to meet his colleagues for further discussions about developing and funding his business. We asked Magnus Macintyre, Chairman of Endeavour Ventures, to give his verdict

When Alex Nicholson brought Pascal Gerrard to our offices in Devonshire Street my colleague Bill Cunningham and I wanted to know three things. Did he have a plan to scale StreetCube? What was his ultimate goal? Was he prepared for us to help him achieve his goal?

The answer to the first question doesn't have to be yes, but the answer to the last most certainly does.

Not every entrepreneur has to have figured out every step of their plan. To a degree, that's our job – and anyway, no one can predict the future with absolute certainty. But if the entrepreneur is suspicious of the financiers, or resents them getting involved, the relationship is not going to be a happy one. The entrepreneur must have realistic expectations of what can be accomplished, and a clear view of the chances of success and what that success might look like. Equally, the financiers must be both helpful and honest.

As far as we can tell from an initial examination, there are two ways to finance StreetCube. The first option is to raise all the finance as equity. This has the benefit of stability, but it is hard work to raise money and Pascal may have to give away more of the business than he is completely comfortable with. The other way of doing it would be to use debt. If each cube costs, say, £ 20,000 to make, the business could borrow probably £ 15,000 on each cube and pay back that debt out of the first year's rent. It may be that a hybrid of debt and equity is the optimum.

Pascal's idea clearly works. The concept has been proven. It is popular with customers, rewards Pascal and the chefs, and is also good for the landowner and for the people who live and work in the areas he has chosen. There is no reason why it cannot work at scale. At least, no reason that does

not face any other business trying to grow – execution risk.

There is a lot of financial modelling and interrogation of costs to be done. The search for suitable sites is probably the biggest challenge, and Pascal will need to find a team of people to help him to do this and all the other aspects of the business that he has been doing largely on his own. Building teams quickly also has risks and stresses. But Endeavour has seen and done it many times, and can advise along the way. Pascal also needs a board that can challenge him as well as help him.

We like that, unlike most efforts to create sustainable environments in the city, this does not require vast amounts of capital. We like its social and environmental benefits. But perhaps the most exciting element for a venture capital firm is that there are no limits to the business. If it works in London, there is no reason why it cannot work in other cities and towns – and for events and festivals anywhere. And if it works in the UK, there is no reason why it cannot work in other countries. Of course, other people could copy StreetCube. Indeed, they surely will if it is a success – and it is unlikely that it could be protected by patent. But there is no reason to fear healthy competition. First they mock, then they diss, then they copy.

Pascal has the one characteristic essential for an entrepreneur that you can't manufacture. It's the thing that's going to make people want to work for him, to persuade people to give him and sell him things, and to buy from him. And it's the characteristic that's going to sustain him and the people around him during the occasional bleak periods in any business when things don't seem to be going according to plan. That characteristic is passion.

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