

LEAFY GREEN MACHINE BUSINESS FEASIBILITY EVALUATION



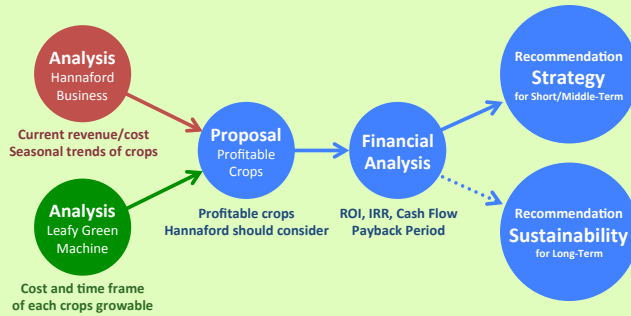
Hannaford Supermarkets

- Owned by Delhaize Group (Belgium)
- 188 stores in Northeastern US
- Sustainability-oriented strategy
- Local, fresh vegetables and fruits

Freight Farms Leafy Green Machine

- Operational transparency
- Remote monitoring by Smartphone
- Year-round growing
- Vertical farming

APPROACH

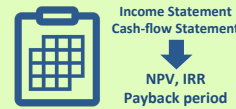


FRAMEWORK & TOOL

Crop Selection Tool



Finance Model with Sensitivity Analyses

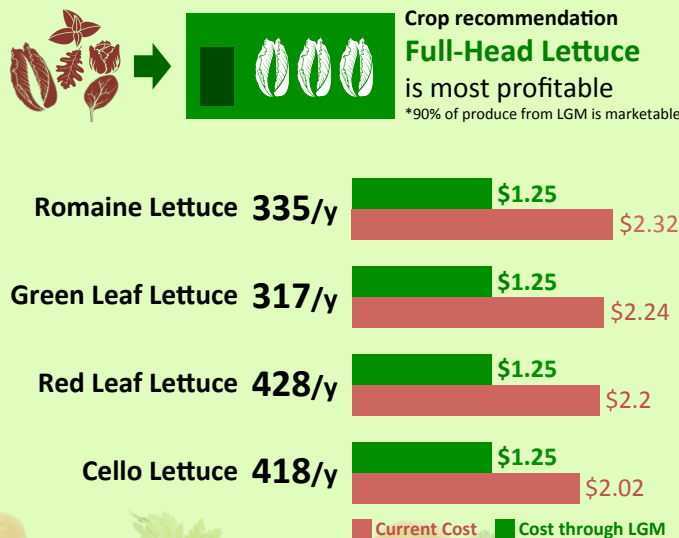


SOI Evaluation Framework



RECOMMENDATION

Financial Analysis for Leaf Green Machine (LGM) Strategy



SOI Evaluation Framework for Hydroponics Case

Dimension	Aspects	Operational Checkpoints	Hydroponics SOI's Readiness Assessment
1. ALIGNMENT Alignment of Hydroponics with Hannaford overall Business	Materiality of Challenge	Magnitude	Unclear
		Urgency	High
	Alignment with Business Goals & Capacities	'Place' in System	Unclear
2. SUITABILITY Potential for Adoption of Hydroponics by technical feasibility and customer desirability	Technical Viability	Technical	High
		Financial	Partially done
	Customer Fit	Network	Unclear
		Customer Development	Phase 1 Not Done
3. SCALABILITY Potential for Diffusion of Hydroponics across 100% Hannaford stores	Business & Organizational Model	Production & Logistics	Phase 2 Various scenarios need to be worked out
		Marketing & Sales	Phase 2 Might have Legal and Regulatory issues outside the firm's boundary
		After Sales	
	Institutional & Infrastructure Requirement	Legal Regulatory	Phase 2 New Expertise, Roles and Capabilities will be required
		Financial	
	Management Capability	Physical	Phase 3 Hannaford needs to comprehensively study the impact of Hydroponic on work systems and all key stakeholders
Expertise & Experience			
4. SUSTAINABILITY Potential for Systemic Impact of the hydroponic initiative on various subsystems	Impacts on Subsystem & System	Economic	Phase 3 Hannaford needs to comprehensively study the impact of Hydroponic on work systems and all key stakeholders
		Environmental	
	Social		
Impacts on Need Fulfillment & System	Usage System	Phase 3 Hannaford needs to comprehensively study the impact of Hydroponic on work systems and all key stakeholders	
	Culture		
Governance	Team	Phase 3 Hannaford needs to comprehensively study the impact of Hydroponic on work systems and all key stakeholders	
	Stakeholders		
		Ethic & Integrity	