

Focus Dynamics's cloud kitchen awards exclusive contract to Lambo

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PETALING JAYA: Focus Dynamics Group Bhd, via its wholly owned subsidiary Marquee International Sdn Bhd, awarded an exclusive food delivery agreement to Lambo Group Bhd's wholly owned subsidiary Lambomove Sdn Bhd.

The delivery of food will be from Focus' cloud kitchens. Focus' maiden cloud kitchen endeavour. More cloud kitchens would be built in capital cities of each state and in neighbouring countries, if market feasibility research shows that a critical mass of food delivery business has been achieved.

Under the exclusive agreement, Lambo would assign and provide drivers and riders to Focus' cloud kitchen and dedicated hub to sort and arrange for the last mile delivery jobs as well as providing event tracking delivery during delivery.

On the other hand, Focus would provide the necessary information to enable Lambo to plan for collection and delivery to customers and integrate Lambo's platform.

Focus executive director Tay Ben Seng said the cloud kitchen or rent a kitchen business is a huge market, and mushrooming all around the world, particularly in the wake of the Covid-19 pandemic.

The company aims to build cloud kitchens for rent as a turn-key solution to anyone who wants to grow delivery-only restaurants and restaurant owners who need a bigger space for their growing delivery business. Focus will come up with the initial capital to set up these kitchens and the tenants only need to pay rental for the kitchen, hence transforming their initial upfront capital to variable operation cost.

"It is always the big pioneer in the new techno-services market who is going to get the lion share eventually. Look at e-hailing services like Grab Car. Our company has already moved into the food delivery business during the movement control order period. As the population adjusts to a new paradigm of social distancing due to Covid-19 pandemic, food delivery business has grown exponentially," Tay said in a statement.

Lambo executive director Koo Kien Yoon said its logistic services would be expected to grow together with the online food delivery market.

Estimated revenue from Malaysian online food delivery amounts to RM896 million (US\$211 million) in 2020, an increase of 46% year-on-year (y-o-y) on the back of 6.9 million users which has 36.3% y-o-y.

This revenue is expected to expand at a compounded annual growth rate of 18% over the next four years, resulting in a market volume of RM1.74 billion by 2024.

"That is why we are in this high growth business. The numbers speak for themselves. Industry delivery charges is around 20% to 30% of the value of the food delivered. Wherever Focus' cloud kitchen is opened, we will follow and grow with them as a team," Koo added.