

HK 28

Power Pasta: A Fresh Addition to Noodles & Company

Product Overview: A Tasty New Addition

“**Power Pasta**” is the ultimate light yet satisfying meal for those who want to keep it fresh without sacrificing flavor. This vibrant dish features al dente macaroni pasta, tossed with crisp bell peppers, refreshing cucumber, and roasted cherry tomatoes, creating a colorful, nutrient-packed bowl. A touch of crumbled feta cheese adds a creamy, tangy contrast, while high-quality olive oil ties everything together for a smooth and savory finish.

Designed for those who crave something delicious yet mindful, this dish is perfect for **health-conscious individuals**, people on the go, and anyone looking for a light yet indulgent option. "Power Pasta" fits well into NDLS's brand by offering a bold, fresh, and modern take on pasta that aligns with current health trends. It pairs well with existing menu items such as NDLS's cheesy garlic bread—perfect for scooping up every last bite of olive oil and feta goodness.

Spicing Up Profits: A Savory Financial Analysis

Pricing & Margins

The proposed price for "Power Pasta" is set at **\$10.50 per serving** based on NDLS' average entree cost range of \$8 - \$12 and our estimated cost of goods sold (COGS) of \$3.66. This results in a **contribution margin (CM) of \$6.84 (65.14%)**.

Projected Performance

We anticipate selling approximately **5,652 servings annually** based on demand analysis. Assuming “Power Pasta” won’t be as popular as NDLS’ high-selling dishes, our estimate comes from NDLS's 295 daily orders across its 18 less popular entrées (adjusted to 19 during calculations to include our new dish). With our price point and costs, this translates

to a total revenue of \$59,341.58, a total COGS of \$20,684.78, and thus a **total CM of \$38,656.80.**

Cannibalization Impact

With the launch of our new entrée, we anticipate some cannibalization of **NDLS' Basil Pesto Cavatappi**. Our analysis estimates that approximately **10% of its annual sales** will be impacted by the introduction of **"Power Pasta."** We found this estimate reasonable as both dishes target similar customer preferences, with "Power Pasta" offering a lighter, trend-driven alternative. Additionally, customer curiosity about new menu items and seasonal shifts in demand often lead to a moderate substitution effect rather than complete displacement.

Since Basil Pesto Cavatappi is one of 18 entrées contributing to 295 daily customer orders, our analysis estimates an **annual loss of 565 servings**, assuming approximately 10% of its yearly sales will be cannibalized.

Given the NDLS press release of 2024, we found NDLS' CM percentage amounted to 74.4%. Given the Basil Pesto Cavatappi's single serving price of \$8.75, we found the **single serving CM of the cannibalized entree to be \$6.56.**

Using Basil Pesto Cavatappi's single serving CM and annual units lost, total **CM loss is projected to be \$3,708.85.** Thus, the **net incremental CM** from "Power Pasta" is **\$34,947.95 annually.**

Despite this shift, the overall financial benefit remains positive due to the **higher CM of "Power Pasta"** and its expected popularity.

Operational Considerations: Ease in The Kitchen

Equipment & Process Integration

The pasta dish requires **no modifications to existing equipment or infrastructure.** Its preparation utilizes NDLS' already established kitchen resources, employee cooking techniques, and established workflows.

Ingredient Utilization

“Power Pasta” uses ingredients already stocked at NDLS, minimizing inventory complexity. Required ingredients include macaroni pasta, bell peppers, Persian cucumbers, slow-roasted cherry tomatoes, feta cheese, and olive oil—all currently used in various menu items.

Inventory Management

The introduction of the new entrée will have **minimal impact on ingredient ordering**, as most ingredients are already regularly stocked.

The calculated **Economic Order Quantity (EOQ)** for our most expensive ingredient—bell peppers— is approximately **168 units**, with an **annual ingredient demand estimated at roughly 2,826 units**.

Based on the EOQ, orders should be placed approximately every 17 days, however, since bell peppers have a 14-day expected shelf life, we adjusted ordering frequency accordingly. To minimize waste and maintain freshness, we have established a **weekly order quantity of about 109 bell peppers**. Regular inventory audits will further help manage spoilage risks, ensuring operational efficiency and reducing ingredient waste.

Concluding Thoughts: A Profitable and Exciting New Entrée

With strong financial projections, seamless operational integration, and minimal inventory impact, **“Power Pasta”** promises to be both a customer favorite and a profitable addition to the NDLS lineup, supporting the brand's positioning as a fresh, innovative dining destination.