

Food Entrepreneurship (Half term)-Spring 2023

Bid Syllabus

Objectives

- Understand the meaning of entrepreneurship and startups in small food businesses
- Instill an awareness of the importance of food and market trends and environment, and be cognizant of current events and major players
- Affirm the value of creativity in entrepreneurship
- Learn the specific processes needed to develop and open a new start up food business – product and/or retail.
- Learn basic financial guidelines needed to open a new food business.
- Understand unique attributes of food business financial styles and benchmarks
- Learn methods of retail site selection and location analysis.
- Understand general steps to develop, manufacture and launch a food product
- Learn the logistic systems requirements and other resources for proper operation.
- Know basic operational and financial control systems for small food business startups
- Understand the manpower requirements to open a food business.

Food Entrepreneurship (Half term) is a summary overview of basic knowledge necessary to develop a food product, or restaurant/food retail businesses. from the initial idea through early growth. This course is focused on stage one small business success. We supplement in class learning with notable guests from all areas of the food world. The course is divided into three sections. **Section 1** lays the foundation by outlining the challenges of opening and maintaining financial and personal success in food businesses; **Section 2** is a discussion on the restaurant businesses. This section approach is from new business start perspective. We begin by defining challenges of concept development, branding and operations. Then we discuss financial information

and reporting that are unique to these types of food businesses. We instill a general understanding of profit or loss and strategy including industry financial benchmarks. **Section 3** discusses issues of starting a food product business and general finance. It covers product development, packaging, testing, and an understanding the logistics involved in sourcing ingredients, manufacturing, sales, and service. We discuss relationship based sensory marketing/gastrophysics and the labor challenges that are influencing the future of food businesses. In this section we create a personal business plan.

Please note that the speakers mentioned on the syllabus may change dates or cancel based on their schedules. In addition, other guests may join us who are not listed.

Recommended Readings

Danny Meyer – *Setting the Table*

Tom Peters – *The Pursuit of Wow*

Charles Spence *The Perfect Meal* and *Gastrophysics*

Gerald Zaltman- *How the Customers Think*

Guy Kawasaki – *The Art of the Start*

Kathryn Gordon – *Food Business Idea to Reality*

Uniform System of Accounts for Restaurants

Ben Weiss - *Basementality*

Peter Rainsford and David H. Bangs - *The Restaurant Start up Guide* **and** *The Restaurant Planning Guide*

Mary Jane Byrd and Leon Megginson,
Small Business Management – An Entrepreneurs Guidebook

Google Latest topical information, Eater.com,

The New York Times Wednesday Food Section, Food Navigator.com, Restaurantdive.com, Specialty Food News, Techonomic, Eater.com and other sites or blogs you may have an interest

Required Article Readings

1. Where Food Investments are Going FoodNavigator.com
<https://www.foodnavigator-usa.com/Article/2018/06/25/Where-food-investments-are-going-according-to-investors#>
 2. Restaurant Trends 2022
<https://www.restaurantdive.com/news/7-restaurant-trends-that-will-define-2022/616518/>
 3. Restaurant Dive
<https://www.restaurantdive.com/>
 4. Tech investors are dumping millions each year into food start-ups, but their appetites are changing CNBC
<https://www.cnbc.com/2019/01/29/why-tech-investors-are-eyeing-food-companies.html>
 5. 6 Facts to Know before Investing in a Restaurant -US News
<https://money.usnews.com/investing/articles/2016-06-29/6-facts-to-know-before-investing-in-a-restaurant>
 6. Restaurants Like Chipotle, McDonald's Ramping Up Investments in Technology and Delivery to Spur Growth
<https://www.forbes.com/sites/aliciakelso/2019/04/08/restaurants-turn-to-technology-and-delivery-to-navigate-a-moderate-growth-environment/#3c12fbbc3645>
 7. As technology ratchets up the stress, low-wage jobs have become some of the hardest in America
<https://www.vox.com/the-highlight/2019/7/6/20681186/fast-food-worker-burnout>
- <https://www.wsj.com/articles/mcdonalds-tests-robot-fryers-and-voice-activated-drive-throughs-11561060920>

PLEASE NOTE MOST GUESTS ARE TO BE FINALIZED

Calendar

1. Overview and Foundation

Class 1 – January 26th – Course Overview and Class Introductions - Overview of Trends and Current Issues

Guest Panel: TBD – Melanie Bartleme, Associate Director US Research Food, Drink, Flavors, Charles Passy, Reporter Food and Entertainment, Dow Jones, Dr. Jonathan Deutsch, Professor and Director Food Core Lab, Drexel University

Assignment: Creative Exercise – Due Class 3

Reading: Meyers, Kawasaki Ch. 1- 4, Byrd Ch. 1

2. Restaurants

Class 2 – February 2nd – Restaurant Industry – Overview: Challenges and Opportunities

Guests: Erik Oberholzer, Founder Tendergreens, Richard Coraine, Chief of Staff, Union Square Hospitality, Founding team Shake Shack

Readings: Zaltman, Spence, Peters, Byrd Ch. 8

Articles 1, 4,

Class 3 – February 9th – Restaurant Industry – Overview: Challenges and Opportunities, Financial perspectives - Financing – Raising Startup and Expansion Capital –Early stage financing the challenges can be many. Financial benchmarks and warning will be discussed. We will also discuss investing before and after Covid

Guests: Andy Pforzheimer, Founder, Board Chair Barteca Restaurants – Bar Taco and Barcelona,

Guest – Sean Feeney, Partner Lilia and Missy

Readings: Zaltman, Spence, Peters, Byrd Ch. 8

Articles 1,4

Creative exercise Due

Assignment: Food Personal Business Plan - Due Class 6

3. Food and Beverage Products, Finance and Gastrophysics

Class 4 – February 16th - Food Products Introduction – Overview of Development of ideas, testing and market evaluation

Guest: TBD

Guest: Michael Schatzberg, Jimmy Frischling, Branded Strategic Hospitality – Food Tech investor, Restaurant owner

Articles 2, 3, 4

Class 5 – February 23rd - Products Continued - Will it find a market? Is it scalable or a niche product – Defining the goals – Cost versus Opportunity?

Guests: TBD – Siggi Hilmarsson of Siggi's Yogurt

Guest Panel: TBD

Reading: Rainsford, Byrd Ch. 7, 14, 15, Spence

Class 6– March 2nd - **Guest: Franklin Isacson, Coefficient Capital (CBS Alum) and Alison Cayne, Haven's Kitchen Sauces**

Course Wrap – Marketing in the Social Media World and Sensory Marketing/Gastrophysics – a major marketing strategy.

ASSIGNMENTS

Live Studies - During the semester we have guests from a variety of food related businesses. In advance of their appearances, please research our speakers and their companies using social media, and if possible personal product experiences. Become familiar with the following:

- Company history and mission
- Entrepreneur's background
- Scope of industry
- Competition and comparables
- Value proposition
- Available financial information
- Challenges

Using our **Business Evaluation Tool (BET)**, which I will distribute, perform a thumbnail grading of the business/entrepreneur. Feel free to add a few brief comments in the space below it. Please confine your thoughts to the space provided. Summarize your conclusions – is it a good **BET** for long term success? These should be submitted in advance of the class the speaker appears.

Paper 1 - Creativity Exercise

Creativity is alive in all of us in different ways. Are you devising the next great food or beverage, or simply have an epiphany about a better a better idea for something existing? Einstein said, "*The true sign of intelligence is not knowledge but imagination.*"

The Three Elements

There are three elements – imagination, innovation, and entrepreneurship – involved in the process of generating creating ideas and translating them into reality. Specifically:

- **Imagination:** Produce an ideal, a dream a desire. Don't let reality get in the way Ask, "**In a dream world what would we want?**" This is daydreaming or brainstorming. Use your full imagination. Why is the idea of value? This equals Creativity
- **Innovation:** This is about planning and organizing. Apply creativity to make the idea. What would need to happen to make it happen? How can it be done? Be creative but realistic. Devise a plan and evaluate it to determine what is realistic. Ask Yourself "What will I do to make these plans a reality?" Establish time frames and resources for progress. Who will do it? What team is necessary
- **Entrepreneur** This is the critical phase. It brings the idea to fruition. What can go wrong? Be analytical. Evaluate everything. Ask "What is worst case and how likely?" Think of what is missing, and what else might be needed. Is there scalability Define the context in which your plan is workable and problematic.

Keeping these thoughts in mind select a food or beverage product, business or experience and create something wholly new as an extension or novel evolution. Your adventurous idea might be in any part of the life of the product or business from production, appearance, sale, or use. Please consider the following about your choice:

You can choose a fresh whole or processed product. Example Topics:

Olive or Nut Oils, Avocados, Barilla Pasta, Yogurt

Or you can take a food concept like Chipotle, Shake Shack, Kroger, Blue Apron etc.

- Topic coverage should include (as applicable):
 - History of the item/company
 - Product/Company name
 - Elements of Production
 - Brand Identity/ Unique Selling Proposition

- Brand Promise if applicable
- Uses
- Primary Markets

Then develop a business idea that includes:

- Description of new idea
- New USP
- Potential markets served
- Competition/Comparables
- Strengths and Challenges

For this project you do not need to consider the detailed financial aspects – only as a summary influence. This is an exercise in creativity.

Please submit project through Canvas. It should be no longer than 5 text pages – not including diagrams, pictures or illustrations.

All assignments are due at the end of the class noted on the course calendar. Late papers will be penalized one letter grade for each day late.

Paper 2 - Personal Food Career Business Plan

Any real entrepreneurial business begins with the process of developing a business plan. Here an entrepreneur exercises the creativity and innovation resulting in a workable business idea. Should your own potential food career be any less planned?

It's true that many of you view food businesses as a second career, a side career, or just an interest. For this assignment assume you will do something in the food world at some point in your life. Rather than develop a business plan for a possibly mythical future business, in this assignment please develop a Personal Food Career Business Plan for you.

Paper 2 - Personal Food Business Plan

Think of your personal food business plan as a blueprint for your food life. This plan is valuable for you to develop strategies, implement the tactics and arrange the necessary logistics for a prosperous food future.

The importance of writing a personal business plan

Do you know exactly where you want to be in the future? Can you answer in detail where you see yourself in one year—*or even in five years?*

I know some of you are concerned about paying off student debt and doing the “right thing.” Most people have no idea where they are going. They allow coincidence and luck to help decide their fate. They all go somewhere, but often this is a place where their own real business desire is absolutely neglected. The importance of planning ahead is multifold. One benefit is that you will be confronted with the question where you want to go. It’s an important question that should not be overlooked. If you have no destination, then it doesn’t matter where you go. If it doesn’t matter where you go, you may end up somewhere you real don’t want to be, lulled into complacency by a salary and comfort.

But once you start writing down what you want to achieve, you will drastically increase your chances of becoming the person you want to be, and where in the food business you might go.

Why should you write a personal business plan?

The big advantages of having a personal business plan include:

- **Having a destination** – Precise knowledge where you want to go
- **Planning the path** – You’ll develop strategies to reach the destination
- **Knowing the obstacles** – You’ll discover what obstacles could lead to failure
- **Understanding the greater plan** – You’ll know exactly why you are doing what needs to be done – even if the going gets tough

The contents of a personal business plan

The process revolves around the creation of an action plan that is based on your potential ambitions for a food business. In general, the plan contains a statement of a future reality and the way you intend to realize it.

Very broadly, your plan should contain the following five criteria:

- What you want (or where you want to be in the food business)
- Why you want it
- How you plan to accomplish this vision
- The potential obstacles, risks, and dangers including real costs, opportunity costs and possible financial rewards
- How you plan to overcome the difficulties

You can also include alternative plans that you can quickly execute in case. Answer the following questions, *before* developing the plan:

- What do I really want to make out of my life?

- What kind of a person do I really want to be?
- Do I have a food business vision?
- What are my goals and ambitions?
- What are my food dreams?

Be SMART:

1. **Specific** – target a specific food business to start
2. **Measurable** – specify how you want to measure progress
3. **Assignable** – decide if you will need help – who and how – do you need a personal board of directors
4. **Realistic** – sets goals that can realistically be achieved
5. **Time-related** – specify when you want to accomplish the goals

Elements of the personal business plan

Planning isn't difficult. What is difficult, though, is creating a plan that will *actually* get you where you want to be. This also means that you will have to identify everything that won't get you closer to your goals.

1. Taking an inventory

Stocktaking might be the most difficult part of creating your PBP. It requires you, to be honest with yourself and the situation you find yourself in. The analysis of your current situation helps you to identify the areas that you can work on in the future and how you might move into the food world.

This stage also requires you to reevaluate your goals and ambitions.

2. Writing a mission statement

Having a personal food business mission statement can be helpful to evaluate the purpose of your actions and activities. Such a statement helps you to ask yourself if whatever you are doing contributes to your mission, or not.

3. Short and long-term planning

When developing a personal business plan, it is critical to separate your plans into short and long-term. If you are only planning in the long run, you will most likely neglect the importance of planning of short-term actions.

4. Committing and acting

What is the purpose of having a plan if you do not execute it? Make sure that you won't forget your plan. Be committed to it and take the action that is necessary to implement it. You sometimes just have to do it!!

The details of the plan

Your personal business plan should also detail how you plan to improve in what kind of areas. You can consider the following learning opportunities:

- Courses
- Workshops
- Reading/Literature
- Mentoring
- Networking
- Training on the job
- Side hustles
- Joining groups

A personal business plan can be broken down into the following areas:

1. What do I want to accomplish in life and food?

The importance of knowing your passion is important. It gives you the necessary foundation on which you can build your plans.

What are my food dreams?

We all grew up with the most ambitious dreams, only to lose sight of them once we grew older. Don't make the mistake of rationalizing the very dreams away that inspire and motivate you. Let your food creativity and imagination go.

2. What kind of a person do I really want to be?

Who am I now and who do I want to be in the future?

The analysis of who you are at this present moment and the person you want to be in the future helps you identify areas to work on.

3. What are my goals?

Don't underestimate the importance of having realistic but inspiring goals. These goals should, preferably, be separated into short and long-term goals. A short-term goal has at times been of approximately a year, and long-term goals 5 years or more.

4. What are the necessary milestones?

Having milestones allows you to break a goal down into several sub-goals. Doing so will allow you to maintain the necessary motivation, even when you are working on a long-term goal.

The Personal Food Business Plan shouldn't be longer than 5 pages. In a perfect world it will be a living document that sits on your desktop rather than in a file folder stashed away.

This course has hopefully exposed you to food ideas, thoughts and strategies that will play well in the future. Whether you analyze, invest, operate, estimate, create, delineate, or originate in your post CBS career, if food business is involved, maybe this plan will move you to do something different.

Personal Food Business Plan Planning Tool

Where are you now?

This process starts with taking a good look at where you are currently. What are your skills, talents, and interests? What are your values – do you like to lead, work with people or alone? Do you like working face to face with people or prefer independent work? Do you like to work inside or outside? Do you like working on process, with customers or in groups? Which teams do you like working on, quiet or loud, small, or large? Are you creative? Can you think on the fly?

Answering the questions below will assist you in determining your starting point.

Question	Notes.
Where am I now regarding my career?	
What is my view of current situation?	
What have been my food business experiences to date?	
What do I enjoy most?	
What skills come to me naturally?	

What do my strengths/assets are? (Skills, knowledge, talents, interests)?	
Why does food business interest me?	
What do I do well?	
What appeals to me in general and about food?	
What are my values? (work/life)	
Do I like to lead, work with people as a team or work alone?	
Do I like working face to face with customers or back-office work?	
How do I feel when I think about my ideal food business job (excited, motivated, fear)?	
Is there anything getting in my way of achieving what I want?	

1. Where do you want to go?

What you'll do next is:

- Consider your food career goals
- Explore your food career options.
- Develop concise written statements related to your goals and add them to the table below.

Knowing where you want to go makes the next steps in determining your future career in food move much easier.

Question	Notes
What does my ideal food business look like?	
If I could do any food business in the world, what might it be and why?	
What are my goals (short/long term)?	
What energizes me?	
Where do I want to be (in 1 yr., in 5 yrs.)?	
Are there any specific challenges I want to face?	
Why is this important to me?	

Question	Notes
What do I want to see/get/do more of?	
What do I want to see/get/do less of?	
What is my preferred balance between work and my personal life?	
Who else does this affect?	
What normally gets in the way of achieving my goals?	
What kind of food related environment suits me best?	
Do I feel I have a calling in life? Related to food?	

2. How might I get there?

By answering questions 1 & 2, you should now have a clearer idea of what you want & where you want to go. The next step is figuring out how you might get there. What do you need to do? Below are some questions you may consider in deciding what resources may be useful.

Question	Notes
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Question	Notes
How can I prepare myself and my environment to achieve my food goals?	
What resources and tools/resources do I need?	
What steps do I need to take to get from where I am now to where I want to be?	
What new skills, knowledge do I need to possess?	
What new skills do I want to learn?	
What existing skills do I need to develop?	
How can I commit to achieving my goals?	
What barriers do I need to remove to make this happen?	
How will I know I have been successful?	

3. Who can help (resources)?

MISCELLANEOUS INFORMATION

- **Stephen Zagor** 917-734-4890
- **e-mail:** shz2112@columbia.edu
- Office hours are by appointment
- Grading as follows:

Creativity Exercise	20%
Personal Business Plan	30%
Attendance & Participation	<u>50%</u>
Total	100%

Participation Grades: This is based on attending classes, Live Study assignments - participating in class discussions, group exercise performance, and general class decorum.