Food Entrepreneurship-Fall 2019
*Warren 311*

**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 about buying or selling a food business and valuation techniques
- 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
- Be aware of industry important technology
- Know important legal regulations, laws and labor issues affecting the future
- Understand the manpower requirements to open a food business.

Food Entrepreneurship covers the basic knowledge necessary to develop a food product, restaurant/food retail businesses, and other miscellaneous food related endeavors 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 five sections. Section 1 lays the foundation by outlining the challenges of opening and maintaining financial and personal success; and, a discussion of current food industry trends. We also focus on the creative process necessary to develop and test ideas as well as to define and attract the market. Section 2 is an in depth discussion on the restaurant and retail food 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. It also covers analytical tools used to ensure success. Section 3 discusses issues of starting a food product business. It covers product development, packaging, testing, and an understanding the logistics involved in sourcing ingredients, manufacturing, sales and service. Section 4 covers other food related business both on-line and location based. We discuss relationship based sensory marketing/gastrophysics and the labor challenges that are influencing the future of food businesses. Section 5 We summarize logistic issues, government regulations and laws current and future. We discuss the development of a second phase expansion strategy. In this section we create a personal business plan.

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

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**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*

Uniform System of Accounts For Restaurants

Susie Wyshak *Great Food Great Business*

Peter Rainsford and David H. Bangs - *The Restaurant Start up Guide* and *The Restaurant Planning Guide*
The New York Times Wednesday Food Section, Food Navigator.com, Specialty Food News, Techonomic, Eater.com and other sites or blogs you may have an interest

Required Article Readings


2. Where Food Investments are Going  FoodNavigator.com
   https://www.foodnavigator-usa.com/Article/2018/06/25/Where-food-investments-are-going-according-to-investors#

3. Tech investors are dumping millions each year into food start-ups, but their appetites are changing CNBC

4. New Investors Flock to Food – CB Insights
   https://www.cbinsights.com/research/food-beverage-startup-investors/

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

7. As technology ratchets up the stress, low-wage jobs have become some of the hardest in America
Calendar

1. Overview and Foundation

Class 1 – Sept 4th – Course Overview and Class Introductions - Overview of Developing a Food Idea – Trends – Your Mantra
Assignment: Entrepreneur Critique – Due Class 3
Reading: Meyers, Kawasaki Ch. 1-4, Byrd Ch. 1

Class 2 – Sept 11th – Trends continues, Starting a food business - it looks easy. What is Success – financial and personal? Building in profit from inception - Intro to Creativity
Guest: Jonathan Neman - Co founder and CEO, Sweetgreen
Reading: Kawasaki Ch. 5, Rainsford, Spence

Class 3 – Sept 18th – Creativity continues with class exercise- Something New or Recycled Familiar – Imagination the key to an idea. Begin study of Restaurants and Food Retail Businesses – Define Concepts and Markets. Is it scalable or a cash business – Defining the goals – Profitability from day one.
Guest: Christina Tosi – Founder and CEO, Milk Bar, Netflix show
Reading: Rainsford, Barron, Meyer
Assignment due: Entrepreneur Critique
Assignment: Creative Exercise

2. Restaurants and Food Retail

Class 4 – Sept 25th Restaurant Industry – Overview: Challenges and Opportunities
Guest: Andy Pforzheimer, CEO and Founder, Barteca Restaurant Group – Bar Taco and Barcelona Restaurants
Readings: Zaltman, Spence, Peters, Byrd Ch. 8
Articles 1, 5

Creativity Presentations Groups 1 & 2
Guest: Matt Salzberg, Founder and Chairman, Blue Apron
Reading: Wyshak, Byrd Ch. 9
Articles 6, 7
3. **Food and Beverage Products**

**Class 6 - Oct 9th** Food Products Introduction – Overview of Development of ideas, testing and market evaluation  
**Creativity Presentations Groups 3 & 4**  
Guest: Jon Sebastiani - Former President Sebastiani Winery, Founder Krave Jerky, SmashMallow, Zupa Noma and Sonoma Brands, CBS alum  
Articles 2, 3, 4

**Oct 16th - Break**

**Class 7 - Oct 23rd** Products Continued - Will it find a market? Is it scalable or a niche product – Defining the goals – Cost versus Opportunity?  
**Creativity Presentations Groups 5 & 6**  
Guest: Siggi Hilmarsson, Founder, Siggi’s Yogurt, CBS alum  
Assignment: Food Career Plan - Due Class 12  
Reading: Rainsford, Byrd Ch. 7, 14, 15, Spence

4. **Other Food Related Businesses, Sensory Marketing, Labor Challenges**

**Class 8 - Oct 30th** Other Food Businesses, Social Media Marketing and Sensory Marketing - Gastrophysics  
**Creativity Presentations Groups 7 & 8**  
Guest: Jeff Martin, Co-Founder and CEO Pipsnacks - Popcorn  
Reading: Rainsford, Byrd Ch. 3, 7, 14, 15

**Class 9 - Nov 6th** Managing People Issues – Labor and Legal challenges  
**Creativity Presentations Groups 9 & 10**  
Guests: Amanda Hesser, Co-Founder and CEO, Food 52 Website and E-commerce platform  
Reading: Rainsford, Byrd Ch. 10, 11

5. **Logistics Operating Issues and Personal Challenges**

**Class 10 - Nov 13th** Cost and Operational Controls- Financial Plan – Raising Money, What Corporate Structure for the Business - Buying a business  
Guest: Richard Coraine, COO, Union Square Hospitality Group  
Readings: Byrd Ch.4

**Class 11 - Nov 20th** Legal Regulations and Laws, Misc. Operational Challenges  
**Creativity Presentations Group 11**  
Guest: Steeve Vakeeswaren, Head of eCommerce Revenue, VaynerMedia  
Reading: Byrd Ch.13

**Class 12 - Dec 4th** - Class Wrap
Personal Food Career Business Plan due  
Guest: Josh Goldin, Managing Partner at Alliance Consumer Growth Fund  
Reading: Byrd Ch. 6

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

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?

Paper 1 - Entrepreneur Critique - For your first paper write a critique on the career of a Food Entrepreneur of your choice. Everyone needs mentors. Please select someone whose career, in some way is of interest to you. Please utilize at least 3 of the following primary and secondary independent sources:

- published biography,
- news or industry published articles concerning specific parts of his/her life,
- personal interviews with the person,
- meetings with interested persons or stakeholders (employees, managers, area notables, etc).
- personal use evaluation of the entrepreneurs product(s) or service(s)

The paper should be maximum of 5 pages, incorporating the story with your opinions and ideas or analysis of seminal moments in the person’s or company’s history - the successes, failures, and hurdles. In addition you should include a section in the paper discussing what parts of the story have relevance to, or impact on you. Note - this is a critique not a report - your thoughts and insights are the object of the paper, not just a recitation of the person’s story. It’s really a paper about you and your use of creative critical thoughts.

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 - 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 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 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 – we will assign groups of 6. 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, Kool-Aid, Yogurt

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

- **Topic coverage should include (as applicable):**
  - Product/Company name
  - Product definition
  - History of the item/company
  - Elements of Production
  - Brand Identity/ Unique Selling Proposition
  - Quality/Concept characteristics
  - Brands or grades
  - Brand Promise if applicable
  - Uses
  - Typical cost/average check
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.

We will schedule each group to do a presentation for the class with two groups presenting each class through the semester.

**Paper 3 - 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.

In class we will discuss this assignment further.

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**MISCELLANEOUS INFORMATION**

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

- Grading as follows:
  - Entrepreneur Review 10%
  - Creativity Exercise 25%
  - Personal Business Plan 15%
  - Attendance & Participation 50%
  - Total 100%
**Class decorum:** The in-class time will be so riveting and spellbinding that no one will give a fleeting thought to texting, online shopping, checking email or marking fitness levels. Just in case, laptops, tablets and phones are not permitted in class.

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