**Syllabus**

**Course:  B8591 Section: 1**

**Title: NYC Immersion Seminar: Food**

**FOR BIDDING PURPOSES ONLY**

## **Objectives**

* Instill an awareness of the importance of food and market trends and environment, and be cognizant of current events and major players
* Know important labor issues, legal regulations, labor laws and culture changes affecting the future of food businesses
* Understand the labor environment of changing manpower requirements for food businesses.
* Learn about current and future food system and logistics requirements necessary for successful operation in changing markets, ranging from sourcing and purchasing through manufacturing.
* Understand the newer marketing paradigms of basic digital, behavioral and sensory marketing strategies and tactics
* Learn basic financial guidelines needed to open a new food business including the unique financial styles and benchmarks.
* Understand how investors approach food business from investment and scalable perspectives
* Learn about buying or selling a food business and evaluation techniques

The success of food businesses is primarily based on the understanding and control of logistics including: ingredient specification, sourcing and procuring from all primary and secondary sources; manufacturing in a kitchen factory; distribution either in house to on site customers or to off premise distributors, retailers or end users; and, marketing and sales both to obtain new customers and to maximize the value of current users. Along this road there are new challenges in labor, market analysis, financing and customer relationship building both from start and into expansion.

The objectives of the course are to delve into the 4 major issues facing food businesses. Among the most important are:

* Labor Workplace Culture and New labor cost landscape
* Food Logistics and chain management
* Marketing – Customer Behavior Analytics, Gastrophysics, and Social Media
* Financing – Industry Metrics and Capitalizing Businesses from start to expansion

Each of the topics will be an exploration composed of a morning two hour class discussion, including a prominent guest – essentially a live case study. Finally, the afternoon will be a visit to an associated company/business to enhance the topic from a more immersive active perspective.

**Please note that guests are subject to possible last-minute cancellations or substitutions. The site visits will not all run exactly 1-3pm. Some may run a bit longer.**

**Curriculum Overview**

**Day 1 - Labor Workplace Culture and Compensation** – Key topics to be discussed will be evolution of the food business culture from emotionally charged autocracies to collaborative team oriented enterprises. Included will be: the challenges of new wage and hour landscape of higher minimum wages, exemption thresholds, tips and tip credits; harassment both general and sexual from employees and customers; and, the changing service culture.

Questions to be researched:

* We have the perfect storm of higher minimum wages of $15.00 and more; elimination of the tip credit; rise of exemption threshold; and, increase of paid benefits. All combine to disrupt the labor model in businesses that are inherently modest in profit. What will happen to the retail restaurant/food businesses model that relies on numerous entry level employees and low paid management staff? What does the new food business model of the future look like?
* According to the EEOC there are more sexual harassment claims filed in the restaurant industry than any other industry. This doesn’t even include those that are settled internally, and the many that that go unreported occurring in small business or even from guests. It also only covers harassment that is sexually based, and does not encompass the often unrelenting boot camp attack atmosphere popularized on television. We know that workplace behaviors are challenging to change. What steps can be taken to reduce this problem?

**Guests** – Richard Coraine, Chief of Staff Union Square Hospitality Group (USHG), Erin Moran, Chief Culture Officer USHG, David Birzon, CEO Snooze –an AM Eatery, Carolyn Richmond, Partner, Fox Rothschild,

**Site Visit**: Union Square Hospitality Group Corporate Office

## **Recommended Pre Readings**

Danny Meyer – *Setting the Table*

Saru Jayaraman - [*Forked: A New Standard for American Dining*](https://www.amazon.com/gp/product/0199380473/ref=ppx_od_dt_b_asin_title_s00?ie=UTF8&psc=1)

Google Latest topical information, Eater.com,

Restaurants Unlimited https://www.nrn.com/casual-dining/restaurants-unlimited-files-chapter-11-bankruptcy

**Day 2 -Food Specifications and Sourcing** - Key topics will be changing food trends, including health aware, organics, plant based, local, sustainable, etc. Discussion will include traditional versus new product sourcing; global procurement challenges and opportunities; farm to table challenges; urban and on site gardening.

Questions to be researched:

* The success of all food businesses, including the smallest cafes and artisanal products, is based on logistics including: supply chain management; manufacturing process in the kitchen/factory; and, distribution of product through internal and/or external channels. The challenges in this flow are many - managing costs; controlling the balance of supply and demand including labor efficiencies and product planning; systemizing the manufacturing; and minimizing waste from over buying and poor planning. With “Farm to Fork” as a major trend in the future, how do businesses provide value to justify any increased costs?
* A look at the future food systems shows the following conflicting trends: giant projected increase in population and food demand in the next 25 years; increasing preference for family farms, cooperatives, small provision and artisanal producers, with fewer younger farmers entering the business; trend toward more plant-based foods; and, more technology and science based farming. Using your crystal ball discuss the short term and long term menus of the future including staple ingredients and cost effect to consumer, and sources of purchasing.

**Guests** Thomas McQuillan, Vice President  Strategy, Culture, and Sustainability Baldor Foods, – Gabrielle Amette, - Marketing and Sourcing Baldor Specialty Foods, Robert Liang, Founder Farm One Hydroponics, Erik Oberholtzer, Chef/Founder Tender Greens

**Site Visit** – Hunts Point Market – Baldor Specialty Foods

## **Recommended Pre Readings**

Oran B Hesterman - [*Fair Food: Growing a Healthy, Sustainable Food System for All*](https://www.amazon.com/gp/product/1610391020/ref=ppx_od_dt_b_asin_title_s00?ie=UTF8&psc=1)

Marion Nestle - *What to Eat*

Michael Pollan - [The Omnivore's Dilemma: A Natural History of Four Meals](https://www.amazon.com/gp/product/0143038583/ref=ppx_od_dt_b_asin_title_s00?ie=UTF8&psc=1)

Articles <https://upserve.com/restaurant-insider/history-farm-table-movement/>

“Reducing Food Loss and Waste” World Resources Institute <https://wriorg.s3.amazonaws.com/s3fs-public/reducing_food_loss_and_waste.pdf>

**“**[The 7 technologies that will make farming smarter–and more productive](https://www.fastcompany.com/90272045/the-7-technologies-that-will-make-farming-smarter-and-more-productive)**”** Fast Company**,** https://www.fastcompany.com/90272045/the-7-technologies-that-will-make-farming-smarter-and-more-productive

**Day 3 -Marketing – Customer Behavior Analytics, Digital Marketing and Gastrophysics** – Discussion will include new methods for collecting and using customer behavior data, including social media touchpoints, analytical methods of psychographics, primary data collecting, and the importance of sensory marketing and relationship building.

* In today’s fast changing internet digital based world to achieve a competitive advantage often requires a new understanding of customer management techniques, acquisition costs and marketing products. Behavioral Metrics and customer data information sources can maximize transactions and experience. What key digital strategies can be employed to maximize customer base and revenues while controlling acquisition costs?
* We read that the Millennial, Gen Z markets are focused on experiential products and services with stories to tell. In fact we all are seeking relationship based products and experiences. The study of Gastrophysics and Behavioral Marketing researches how the mind can be used to influence not only our taste perceptions but our overall desire for products. Discuss specific multisensory tactics useable to build loyal paying customers in food businesses.

Proposed Guests –Steeve Vakeeswaren, Director, VaynerMedia, Others TBD, etc.

Proposed Site Visit – VaynerMedia, Hudson Yards NYC

## **Recommended Pre Readings**

Charles Spence – *Gastrophysics*

Ira Kaufman - [*Digital Marketing: Integrating Strategy and Tactics with Values, A Guidebook for Executives, Managers, and Students*](https://www.amazon.com/gp/product/0415716756/ref=ppx_od_dt_b_asin_title_s00?ie=UTF8&psc=1)

**Day 4 -Financing – Raising Startup and Expansion Capital** – When a business does well or has a distinct market position or product, money comes calling. However, to find startup or early stage financing the challenges can be many. This topic will include developing a compelling business plan and pitch to finding target investors and creative partnerships. Financial benchmarks and warning will be discussed. The topic for our meeting will be "Attracting and Partnering with Early and Later Stage Financing."

Questions to be researched:

* The success of most food businesses in the startup and early phases may heavily depend on access to capital. Studies say that number one reason for food business failure is undercapitalization. The, “I will make it and they will come or buy” mentality doesn’t work. Ninety percent of food products fail in one year and fifty percent of restaurants close in two years. How can startups minimize the potential for failure as well as attract the capital investment needed to sustain the early unknowns and provide enough cushion?
* It’s often dangerous to look too far ahead before the first business is proven. All focus needs to be on the initial proof of concept. When and how would small business begin to attract expansion capital?

**Guests** – Matt Higgins Co-founder and CEO of RSE Ventures as well as Shark Tank investor, Uday Ahuja, Managing Director RSE Ventures, Andy Pforzheimer, Founder Former CEO Barteca, additional entrepreneur TBD

**Site Location**: Columbia

## **Recommended Pre Readings**

Where Food Investments are Going FoodNavigator.com

[https://www.foodnavigator-usa.com/Article/2018/06/25/Where-food-investments-are-going-according-to-investors#](https://www.foodnavigator-usa.com/Article/2018/06/25/Where-food-investments-are-going-according-to-investors)

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>

New Investors Flock to Food – CB Insights

<https://www.cbinsights.com/research/food-beverage-startup-investors/>

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

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

# **Process**

Prior to the start of the course, students will research and answer the discussion questions provided on the syllabus, using the recommended readings and Google for the most current opinions. This will serve as the foundation for our daily morning topic discussions. Supplementing the morning discussions will be a notable guest who will provide texture and background for our explorations. In the afternoon we will visit a site or have a group of experts visit at Columbia to deep dive further into the topic.

To ensure that everyone comes prepared for class and to engage with our guests in class and site visit guests, students are responsible to answer discussion questions before each class. via an online Canvas survey.

At the end of the course the members of class will be asked to prepare a paper on one of the four areas, combining what they have previously researched with what we learned from our guests and visits. The focus of the reports will be an insightful probe of the selected issue in the near a long-term effect and how to manage them. The reports will be due two weeks after the last day of the course.

# **MISCELLANEOUS INFORMATION**

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* Office hours are by appointment
* Grading – In class attendance and participation will be 50% of the grade. Answers to the preliminary questions will be 20% and the final report will be 30%.