Objectives

- Understand the meaning of entrepreneurship and startups in 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 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 and laws
- Understand the manpower requirements to open a food business.
- Learn the value and requirements of a successful business plan and presentation for food businesses

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 trends. We also focus on the the creative process to develop and test ideas and 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, covering 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. **Section 5** We summarize labor issues, government regulations and laws current and future. We discuss the development of a second phase expansion strategy. In this section we create a pocket business plan.

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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*](#)
- Paul Barron [*The Chipotle Effect*](#)
- 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 Readings

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

Calendar

Class 1 – Sept 5th – Course Overview and Class Introductions – The Foundation Overview of the Food Developing an Idea – Trends - The 4 Products Retail Mantra.
Guest Jasmine Dadlani, Director of Strategy at McKinney New York
Assignment: Entrepreneur Critique – Due Class 3
Reading: Meyers, Kawasaki Ch. 1-4

Class 2 – Sept 12th  Foundation continues Starting a food business - it looks easy.
What is Success – financial and personal? Building in profit from inception - Intro to Creativity
Guest:
Reading: Kawasaki Ch. 5, Rainsford, Spence

Class 3 – Sept 19th Foundation Creativity continues - Something New or Recycled Familiar – The key to an idea. Restaurants and Food Retail Businesses – Define Concepts and Markets. Is it scalable or a cash business – Defining the goals – Profitability from day one.
Reading: Rainsford, Barron, Meyer

Class 4 - Sept 26th Restaurant Industry – Overview: Challenges and Opportunities
Guest: Andy Pforzheimer, CEO and Founder Barteca Restaurant Group
Assignment due: Entrepreneur Critique
Assignment: Creative Exercise – Due Class 7
Readings: Zaltman, Spence, Peters, Byrd Ch. 8

Class 5 – Oct 3rd. Restaurant Industry – process and Systems Continues
Guests:
Live Studies: Reading: Wyshak, Byrd Ch. 9
Class 6 – Oct 10th  Products Introduction – Overview of Development of ideas, testing and market
Guest: Matt Salzburg - Founder Blue Apron

Class 7— Oct 24th  Products Continues Will it find a market? Is it scalable or a niche product – Defining the goals – Cost versus Opportunity SWAT.
Guest: Guest: Josh Goldin, Managing Partner at Alliance Consumer Growth Fund
Assignment: Business plan - Due Class 12
Creative Exercise due
Reading: Rainsford, Byrd Ch. 7, 14, 15

Class 8 – Oct 31st  Other Food Businesses and Sensory Marketing - Gastrophysics
Guest:
Reading: Rainsford, Byrd Ch. 3, 7, 14, 15

Class 9 – Nov 7th  Managing People Issues – Labor and Legal challenges
Guest:
Live Study:
Reading: Rainsford, Byrd Ch. 10, 11

Class 10 – Nov 14th  Cost and Operational Controls- Financial Plan – Raising Money, What Corporate Structure for the Business - Buying a business
Reading: Byrd Ch.13

Class 11 – Nov 21th  Legal Regulations and Laws, Misc. Operational Challenges
Guest: Attorney; TBD
Readings : Byrd Ch.4

Class 12 – Dec 5th – Class Wrap  Business Plan TBD
Reading: Rainsford, 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)**, 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? Your **Live Study BET** will be handed in at the start of the class and tallied using **Poll Everywhere** for real time totals. After we hear our guest speak we will see if your **BET** changes.

**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 your opinions and ideas with the basic story 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.**

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 website or beverage, or simply have an epiphany about a better idea for something existing? A great entrepreneur may be a creator or a pragmatist, reengineer or combination. We all have skills but in different ratios.

**The Three Elements**

There are three elements – visionary, pragmatist, and detractor – involved in the process of generating creating ideas and translating them into reality. Specifically:

- **Visionary:** 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?
- **Pragmatist:** This is about planning and organizing. 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

- **Detractor:** This is the critical phase. 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.

**How will the Three Roles Balance**
Balance is the key. The coordination of visionary, pragmatist and detractor is important. A visionary without a pragmatist cannot make ideas happen. A detractor and a visionary without a pragmatist never get results. The visionary and a pragmatist need the detractor to achieve excellence. The detractor is an evaluator – a key role in execution.

Keeping these thoughts in mind – form groups of 4 and visit a Whole Foods, Farmers Market, Food Store, Café, Bakery, etc. Select 1 product, business or experience and create something wholly new. 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
  - 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.
**Paper 3 - Pocket Business Plan** – Either solo or with partner(s), prepare a “pocket business plan” on a food business of your choice. The form of the plan can follow the outline provided in class. It should become a useful tool if you choose to pursue your idea in the future.

**MISCELLANEOUS INFORMATION**

- **Steve Zagor** 212-847-0700 x 402 or 917-734-4890
- **e-mail:** shz2112@columbia.edu
- Office hours are by appointment

- Grading as follows:
  - Entrepreneur Review 15%
  - Creativity Exercise 25%
  - Pocket Business Plan 25%
  - Attendance & Participation 35%
  - 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.