

FOOD ENTREPRENEURS ROADMAP FOR SUCCESS

THE FOODIEFACTORY

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WILL YOU BE ABLE TO STAND THE HEAT IN THE FOOD BUSINESS KITCHEN?

Let's face it—starting a food business can feel pretty complicated and confusing sometimes, especially when you are just getting started. With so much information coming at you from so many different sources, regulations to follow, food safety requirements and licences, how are you really supposed to know what to do, and in what order, to actually make progress and get the results you are looking for?

The worst part is that so much of the information floating around about producing a food product and business ownership is unclear at best, and downright contradictory at worst. Half the advice doesn't make sense, and the other half doesn't work.

But what if the problem isn't the lack of information, but the lack of a clear framework in which to apply it? What if it turns out you are actually doing the right things, but in the wrong order? And what if there was a way to reverse your course in order to get back on track? That's exactly what this Food Entrepreneur Roadmap is all about.

Because, believe it or not, the problem for most food entrepreneurs is not that they don't know what to do, but that they haven't taken the time to complete the steps in the right order. They jump around from one thing to the next, trying this and trying that, getting frustrated when something doesn't work, and then wondering why they haven't seen great results.

If you are truly ready to take your food product idea to the next level, the FNQ Food Incubator will walk you through each phase of this framework, step by step, and help you apply it to your own food business in a very concrete and incredibly effective way.

If not, you can still use this blueprint as a reference guide to determine where you are at in this process, where you might be missing a piece or two, and where you still need to go.

Food entrepreneurship doesn't have to be complicated—you simply need to know which steps to take, and when. This Food Entrepreneurs Roadmap will show you the way.

The Foodie Factory

BUSINESS PLANNING & REGULATIONS

RESEARCH, RESEARCH, RESEARCH

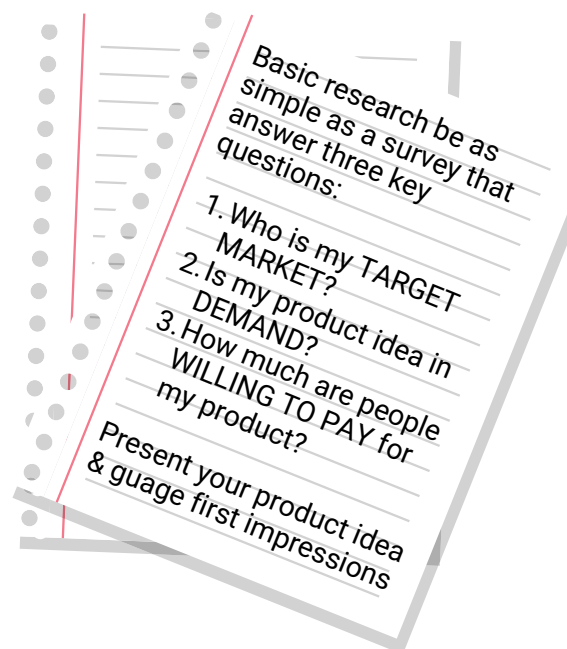
Pursuing a food product idea can be really exciting, but before you go any further, it's time to make sure your idea is grounded in reality.

Before you can bring an innovative product to market, you need to understand the market really well, the shelves of your local supermarkets, food halls and delicatessens are cut throat places. Space is tight and there's a constant land grab afoot. If a product is too similar to competitor products, too obvious, too plain, too downright boring, it won't even get a look in – those making the buying decisions and assigning shelf space will disregard your product entirely.

To understand your target market, you need to face the fact that countless days of research may be required. If done objectively you can evaluate your food business idea before investing significant time and resources into it.

Workshops, online seminars, evenings spent with your nose in a business strategy book – these are the undertakings that you'll need to realise if you want to pursue a profitable career in food business.

If you find out through this process that your idea is not actually viable, that's a bummer, but you just saved a lot of time and money by deciding not to move forward with an idea that would have failed.



S.W.O.T ANALYSIS

Launching a new product requires addressing the four marketing pillars of price, product, promotion and place of sale. To analyse each of these areas, examine your Strengths, Weaknesses, Opportunities and Threats to help minimise your risks and maximise your resources before you run your first ad or hold your first promotion.

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COMPETITOR ANALYSIS

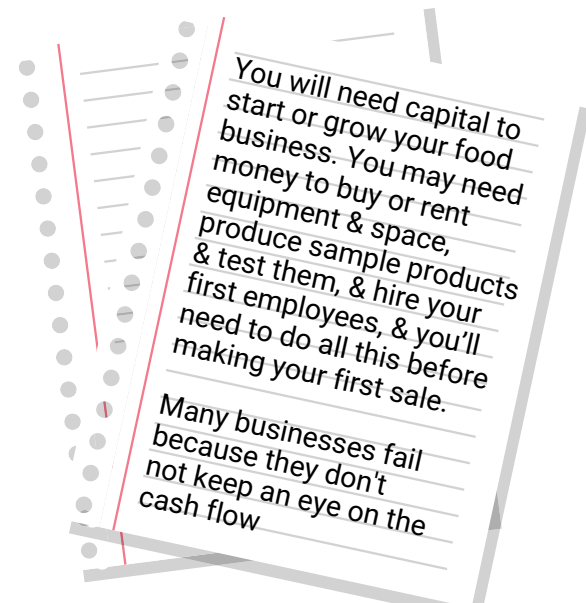
You should familiarise yourself with the competition and thoroughly research your market and ask yourself who your competitors are, how your products measure up against theirs and why customers would want to buy off you.

PLANNED TO PERFECTION

Each client we've worked with has its own unique dimensions; but the ones that succeed all have a key characteristic in common: they've taken the time to prepare a flawless business plan. It's living document that evolves along with your strategy. Writing a business plan will help you think through every aspect of building and running your company. You might also develop an executive summary that can be distributed as a one- or two-page resource.

As a food business, some of the questions you'll want to think through in your business plan include:

- Where will product development be performed, and who will provide the technical expertise?
- Where will manufacturing and packaging be performed?
- What will be your channel strategy?
- What are the regulatory considerations for bringing your product to market?



LICENCES & REGULATIONS

It's essential that you contact your local council to check the existing laws, permits and licences you'll need to start your food business. Rules may differ depending on your locality, so it's vital that you check in with your local city and state officials to determine what permits and permissions are required. You will need to apply for a food licence which can be a long and drawn out process, this will involve you having to nominate where you will be making your product. In most cases, newbie food businesses will be asked to provide their local authority with the following information:

- Your food business classification
- What types of food you will be serving
- Who will be receiving your food
- Whether or not your food is pre-packaged
- Details of your nominated food safety supervisor

SAY MY NAME, SAY MY NAME

To state the obvious: in order to form your business, you'll need a name for it. Choosing the right name will help create the image you want for your business. It'll also help to distinguish it from your competitors. When choosing your business name, consider:

- how your business differs from competitors
- what image you want to communicate to customers
- if any businesses already use the name or have a similar business name
- if someone has trade marked the name
- if the name is already registered as a domain name
- if the name could be misunderstood, especially in other languages or if you're planning to use it in other countries
- whether the name could offend people

It is wise to check whether any other businesses are already using them. There are online tools to search if another business either has the business name or a domain name.

Establish where you will make your product & how much it will cost to rent a commercial kitchen or manufacturing facility, or the costs of co-packing

You will be required to establish a food safety plan that meets HACCP standards.

It is recommended that you complete a food handling course or food safety supervision course to ensure you are up to date with food handling procedures

BRING YOUR BRAND TO LIFE

When you understand your brand and the components that define brand identity (colours, typography, shapes, etc.) it's time for you to work with your designer to develop the creative elements that will give life to your brand identity. These include your logo, website, product packaging, brochures, and more. You'll communicate them consistently across all marketing channels and it's extremely important to get them right.

MANUFACTURING & MARKETING YOUR PRODUCT

FOOD SAFETY

For obvious reasons, the food production industry is monitored carefully and subject to more stringent hygiene, and health and safety rules, than most other sectors.

Shelf life - Ensuring your product has an adequate shelf life is key, so that consumers won't buy spoiled food that is at worst, a health risk, and at best, a guarantee they'll never buy it again. This means you'll also need to learn about adding preservatives to your food, which can be accomplished through laboratory testing--something you probably never thought about in your home kitchen.

Food development – Your local warehouse store may be ideal for purchasing the quantities of ingredients you require now, but manufacturing on a larger scale means finding new sources of ingredients. And as you use different ingredients and different methods of processing those ingredients, you may need to modify your original recipe. Again, a food scientist or consultant may help you determine how to mass-produce your food product without compromising the taste or quality.

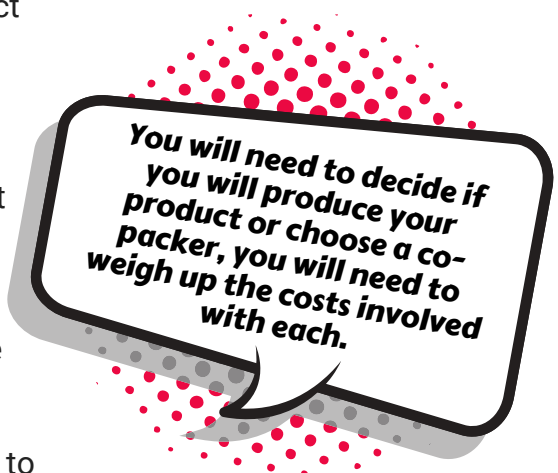
Safety – We trust that all the food products we buy at the store are safe for consumption because they're regulated by the government.

As an entrepreneur, follow local, state and federal regulations before launching your product. These regulations address the ingredients you use, your production facilities and even your product labelling, to protect consumers. In addition, you need heavy liability insurance for your own protection.

PRODUCT PROTOTYPE THROUGH R&D

Your goal here is to develop a recipe and a process that results in all the properties you described for your product. You will do this by actually making the product on a small scale, then testing it with a view to develop into a full-scale production. Things to watch for in this step:

- A simple homemade recipe may not work in a commercial-sized batch. Some ingredients may not behave the same way, or will be too expensive. Be prepared to change.
- What manufacturing method works best?
- Try different processes to see how they change the end product.
- What type of packaging works best? Test several samples to ensure they seal correctly and stand up to handling
- How does your product work in typical-use situations? How will it hold up in shipping and storage? What happens to it when it is frozen, chilled, and cooked?
- What is the cost-per-unit of your product, and how much will you need to charge for it so you can make a profit? Go back to your business plan; does your research reveal how much consumers are willing to spend on a product like yours?



You will need to decide if you will produce your product or choose a co-packer, you will need to weigh up the costs involved with each.

PACKAGING

Naturally, labelling needs to be superbly attractive and eye-catching. However, don't forget to pay heed to the statutory requirements relating to ingredient labelling, allergens and nutritional information.



SHOW ME THE MONEY!

There is a difference between price and pricing. The price is the amount of money you want for each product unit. Pricing is the process you need to go through to figure out what price to attach to each unit. Pricing, therefore, is a strategic process that you must learn, and use, for business success.

A fundamental principle of pricing is that you need to cover your costs and then factor in a profit. That means you have to know how much your product costs.

If you are looking to produce a recipe for large-scale manufacture and distribution - production costs are going to be high. Your funding will need to account for co-packing facilities, ingredient purchasing, hiring professionals (consultants, food scientist, etc.), scientific testing, distribution, storage, packaging, and more.

These calculations will provide you with financial projections that should include: market & sales potential, sales forecast, break-even analysis, fixed & variable costs, balance sheet, income statement & cash-flow. Add these projections to your Business Plan

SMALL BATCH RUN

We encourage food entrepreneurs to test the process and test the product before you invest in full-scale production. This will allow food manufacturers, especially local start-ups and SMEs, to validate new products after R&D and to test their commercial viability before making the leap to full-scale production.


It also gives the processor clues to optimising processes and production costs prior to investment and installation. Variables such as energy, labor, supplies and replacement parts can be factored into manufacturing and operations costs.

Use this small batch to test your market on taste, packaging, price, brand and test shipping by sending your product back to you.

FOOD MARKETING BASICS

You will need a solid marketing plan to take your product from the production line to consumers' plates which starts with your marketing strategy & defining your marketing goals. Your marketing plan builds on your business plan. In your business plan, you identified important factors such as your target market, your competition, what made your product better or different, what consumers were willing to pay for your product, etc

You should define measurable and time bound objectives that can be used to gauge whether you've reached your goals.



Writing down your plans will help you stay focused and ensure that your marketing objectives align with your overall business goals & strategy. It will help you establish tasks & timelines, and ensure you are using your resources efficiently & effectively

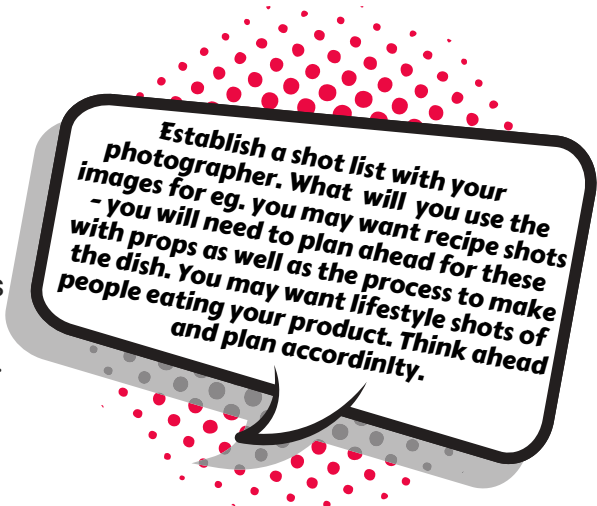
DISTRIBUTION, FREIGHT & SHIPPING

Identify what type of distribution channel you plan to use to get your food product into the hands of your consumer. Methods of sales and delivery include retail, wholesale, direct to homes or businesses, or online.

- Determine how you will package products for shipping.
- Determine the minimum order size you are willing to ship or deliver.
- Determine the turnaround time you need to fill orders and get them to your customers.
- It is expected that you will typically extend credit to your wholesale customers. Determine
- how many days you are willing to wait to be paid.
- Determine how late deliveries, back orders or large shipments that need to be broken down will be handled.

A PICTURE PAINTS A THOUSAND WORDS

If a picture is worth a thousand words, a stunning product picture is worth a thousand website visits. Great product photography increases sales and lends professionalism and credibility to your products and the people selling them. It adds a new level of quality. With professional brochures, catalogues, websites, and advertising. We strongly suggest investing in professional product photography to give your products the best possible reproduction when used in your marketing material.



Establish a shot list with your photographer. What will you use the images for eg. you may want recipe shots - you will need to plan ahead for these with props as well as the process to make the dish. You may want lifestyle shots of people eating your product. Think ahead and plan accordingly.

IT'S ALL ABOUT DIGITAL PRESENCE

- Make it easy for customers and suppliers to find you by getting a domain name based on your company name, such as [companyname.com](#) or [companyname.com.au](#). Conduct a domain name search and ensure you include social handles in your search so that your name is cohesive on all digital channel (even the ones you may not use).
- Set up at least one e-mail address. You can also set up several e-mails by company function, such as [sales@yourcompany.com.au](#) and [info@yourcompany.com.au](#)
- Set up a website. If you are technically savvy, you may be able to build your own website using an online template. Or you may need to hire a website designer for the job. Websites do not need to be elaborate; simple ones can be quite affordable and effective. Do some research by talking to other food entrepreneurs and find out how their websites were established



Set up a Canva FREE account and use your images from your photo shoot along with your brand identity to establish your social media presence.

TIME TO LAUNCH

When you're figuring out how to launch a food product line, remember to spend some time considering your marketing options. Some organisations prefer to use websites and content marketing, whereas others build their reputation through offline marketing or social media.



Refer back to your marketing plan and your defined target customer. Ensure your marketing efforts are specific to your target audience. There is no point investing in FB ads if your target audience doesn't use this medium.