



Words to the wise

The marketing
communication
resource to
the food industry.

Start Your Own Food Business Without Eating All Your Profits

In the September 26, 2005 issue of Newsweek, Ben Whitford and Dan Berrett give beneficial and straightforward advice on starting your own food business.

First, you must plan ahead. It is important to have a well thought-out, precise business plan to back up your new, creative idea or product. The article mentions that some community groups offer courses explaining how to be a successful entrepreneur. Also, check out the internet for other helpful resources.

Know your market, and if something similar to your product is already on the market, don't sweat it! This just means there is a market for your product, and you must successfully execute your idea. Your food needs to "look the part." Basic packaging design costs anywhere from \$5,000-\$30,000, depending on the designer. Spending a great chunk of change on the perfect design can be completely worth it in the end.

Issues that a manufacturer or professional kitchen will require you to address include the type of packaging that will be used and the initial volume to be produced. Next, the manufacturer will make a sample of the product is made from your recipe, which may take roughly two to four weeks, using the exact ingredients that the finished product will have. This involves sourcing each ingredient for availability, cost and flavor. Shelf life and bacteria tests are conducted, which can take up to 30 days, and after that, a nutritional analysis is performed. Finally, all costs on the actual ingredients to be used and the cost to co-pack the product are quoted.

Spend your money wisely. Usually, you can get into the business using a major credit card, however it may not be the smartest or most feasible idea to spend \$20,000 or more on a new kitchen starting out, especially when some established kitchens rent by the hour.

You may want to start out small and build relationships with local retailers before moving on to national trade fairs.

Be realistic and keep your overhead, as well as your expectations, low. It is important to focus on being the best before you are the biggest. Stay positive and believe in your product. Starting a new food business is very challenging, but often professional input can help tackle obstacles. For more information about starting your own food business, contact FoodWise Group at www.foodwisegroup.com