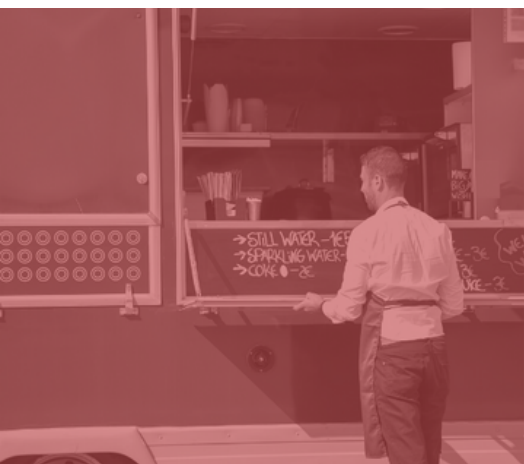


Open Access: Equitable Equity For Food Entrepreneurs



User Guide

Open Access: Equitable Equity For Food Entrepreneurs User Guide

Accessing and utilizing the open source code

To access the code, which you or your web team can duplicate, visit Aspen Institute's Github account. We also created this user guide that can help you through the process and two videos that demonstrate how to customize and update your version of the portal. A developer should be able to set up and host your application with the template language within a few hours.

The template version of the [Open Access portal](#) is hosted on [Heroku](#). Heroku is a platform that enables you to build, run, and operate applications in an easy and fast way. Based on your organization's needs and comfort level, you can use Heroku, AWS or another hosting service.

Once you've uploaded the code to your platform of choice, you can edit the content specific to your small business community using the content structure we created: **Plan, Launch, and Grow**. You can also add links, images, contact info and more through the administrative section of the website.

Customizing your content

The highlights in green are the areas to consider adding content making changes.

Plan

Start with an Idea

- **Defining your business**
 - Whether it's a new food truck at the plaza or a private label brownie at the grocery store, food entrepreneurs are bringing their cultural food traditions (or riffing on those traditions in a new way) and turning their culinary passion into a business. It's important to define exactly what type of food business you are starting. Understanding what makes your business unique and where you need to make it happen is the foundation to creating a successful venture.

- **Understanding your market:** Next, you'll want to know what, if any, businesses are pursuing or have launched similar ideas. This will help you find your competitive advantage and turn your idea into a profitable business.
 - **Demographics:** Every business and service needs to understand the product preferences or buying behaviors of its customers. Most companies identify their key customers through the following traits: age, income, geographic region, and education. This information is invaluable in finding and targeting consumers who have characteristics that align with your product or service.
 - Consider adding a section on the demographics of your general area or certain places where the region is trying to encourage business development and/or offering additional resources.
- **Research Market Opportunity**
 - **Define Target Market:** If you've developed your business plan you should have a good sense of who your target customers are, who is the most likely to purchase your products or services, and who you want to reach. Use this information to your advantage and consider how you can locate your business to most effectively serve your target customer base.
 - Find gaps in the market. Consider factors such as age, spending habits, occupation, and household composition. For example, if your product is a prep meal kit designed for busy families and there are no current products or services that match this need, you may want to think about using targeted keywords on social media, selling at grocery stores in neighborhoods that are family-friendly, and advertising in magazines for parents. .
 - <https://www.sba.gov/business-guide/plan-your-business/market-research-competitive-analysis>
 - Include a section on why your region is ideal for starting a food business
 - **Research Competition:** Next, you'll want to conduct market research to see if other businesses are pursuing a similar idea. Perhaps, you specialize in a cuisine that is not represented in your target area or your product meets a health need.

Write a Business Plan

<https://www.sba.gov/business-guide/plan-your-business/write-your-business-plan>

Business Plan Templates: <https://www.bplans.com/sample-business-plans/>

- 1. Operating resources:** Think about what it will take to run the business each day. Will you need employees? What will the hours of the business be? Will you close for weekends and holidays?
- 2. Overall market plan:** This section should answer questions like: Who are the target customers for the business? Are there any businesses providing the same service that might be in competition with your business? Would a particular location in the city be important for your business to succeed?
- 3. Cost and sales structure:** Each product you sell costs something to make, and each service you provide takes staff time. Carefully calculate your costs so that you know how much you need to charge customers in order to make money.
- 4. Financial management and business growth:** Using your estimates of what it will cost to open your business, operate, do marketing, and sell to customers, calculate how much money you need to start. Keep in mind that there may be a gap in time between when you start on the path to opening your business and when you receive the first profits. Have a plan to help finance your business and consider reaching out to a Community Development Financial Institution (CDFI), which will provide credit and financial services to entrepreneurs. A business plan is required if applying for funding through a bank.

Every business needs a way to get customers. Write about how you plan to advertise and sell your goods. Make sure to note what those marketing and sales activities will cost and how long they will take.

- 5. Understand start up costs:** The key to a successful business is preparation. Before your business opens its doors, you'll have bills to pay. Understanding your expenses will help you launch successfully.

Exceptions to Business Plans: Some Community Development Financial Institutions (CDFI) that do a lot of microlending have stopped requesting and relying on business plans. These lenders may use other factors to get a sense of whether new entrepreneurs have the knowledge and experience to execute on the idea they have for a business and the level of revenues and other financial resources needed to make the loan payments.

If you're a new entrepreneur, consider starting small and growing over time. For example, consider selling your products at farmers markets or flea markets; hold informal dinners at your home or for family and friends before opening a full-scale

catering business; or cater events or serve at pop-ups before you go to a food truck or to a restaurant or café. That way you can test your markets, products, and selling skills before you take on the expenses and debt associated with a larger venture.

Startup finances

<https://www.sba.gov/business-guide/plan-your-business/fund-your-business>

1. **Funding your business:** Starting a business can be expensive. But there are resources such as grants and low-cost loans to help you finance your business. Be sure that you plan and save enough cash to operate your business for at least the first few months. This may include the amount of money you need to cover your startup expenses such as buying equipment as well as permit or license fees. It may take time to set up before you have enough customers to be profitable.

Using the calculations and estimates from your business plan, decide if you have enough money to begin, or if you need additional capital first. Lenders want to see that you have some of your own capital invested in your business.

Financial Projections: You will need financial projections for at least the first three years of operation including a forecast of future sales and the costs to run your business.

Funding Options:

- **Credit Lines:**
- **Loans:** There are many types of loans available to business owners such as SBA loans, Term loans and equipment financing loans. Many banks will also give loans to small businesses. Loans may be used to buy commercial kitchen appliances, flatware, furniture, and other items needed to run the business. The requirements for these loans may be more demanding and interest rates may also be higher. We encourage you to contact your bank for current rates and terms.
<https://www.sba.gov/funding-programs/loans/lender-match>
 - Include a list of loans available in your area.
- **Grants:** Grants may be available for business. Some grants are for businesses at a specific stage or to support business owners from certain communities (i.e., women, veterans, BIPoC, and startup).
 - Include a list of grants available in your area.
- **Investment:** Business owners may pursue investment opportunities to cover startup costs. In addition to money, investors may provide other assistance such as marketing, public relations and financial planning.
 - Include a list of food investor networks available in your area.
- **Crowdfunding:** Crowdfunding is the process of raising funds for a business from a large number of people, called crowdfunders.

Crowdfunders aren't technically investors, because they don't receive a share of ownership in the business and don't expect a financial return on their money.

- Instead, crowdfunders expect to get a “gift” from your company as thanks for their contribution. Often, that gift is the product you plan to sell or other special perks, like meeting the business owner or being acknowledged somehow. Crowdfunding is a popular option for people since it helps build awareness and potential customers.
- Crowdfunding is also popular because it's very low risk for business owners. However, there could be risks and obligations if the business does not succeed. Every crowdfunding platform is different, so make sure to read the fine print and understand your full financial and legal obligations.

Determine the food business type

<https://www.bplans.com/food-and-beverage-business-plans/>

Determine the type of food business you want to start.

1. Restaurant or cafe: A place where people pay to sit and eat meals that are cooked and served on the premises.
2. Food truck: A large vehicle equipped with facilities for cooking and selling food.
3. Private label: Goods that are retailed, packaged, and sold.
4. Catering: Providing food and drink at a social event or other gathering, typically as a professional service.

Launch

Note: Sections that are starred (*) may have specific requirements.

Getting Started

- **Name your business:** Now that you've determined the type of food business you'd like to start, you need to choose your business name, along with a possible logo and website. . When naming your business, keep in mind that the name should be web-friendly. It should be unique but easy to remember.
- **Pick a niche:** Determine the type of cuisine, service, or convenience that you'd like to offer. This decision should be based on your market research.
- **Create a menu:** Create a menu that is informed by your market research and the types of customers you'd like to serve. Consider how you will source the food

products needed and the wait time for the food. You may want to create a consistent menu or a seasonal menu.

- Purchase your business' domain name and web hosting. Utilize a website and social media to inform and attract customers, or if you sell a physical product, you can also expand your sales beyond your local community.

- **Connect with business assistance programs to see what they recommend and what platforms they may be able to provide assistance with.**

Structure your business

Determine the best structure for your business

- **Sole proprietorship:** report business activities on personal income tax returns. If you risk substantial liability in your business, consider some form of incorporation, LLC, or LLP to protect your personal assets
- **Business partnership:** also avoid corporate double taxation and usually allow more flexibility in distributions than either a C or S corporation. Family limited partnerships (FLPs) offer many benefits: You can split income with your children and realize estate tax savings, while continuing to control assets transferred to the partnership. However, it is important to ensure that the FLP is carefully structured, as the IRS monitors FLPs closely.
- **Incorporated business:** C Corporations are taxed as entities separate from their shareholders. The corporation pays taxes, and you pay taxes as an employee. Investors are taxed on the dividends they receive. Salary paid to you and other shareholders must be reasonable, or a portion of it may be reclassified as a nondeductible dividend payment. If earnings are accumulated beyond the corporation's reasonable needs, an additional tax may be imposed on these earnings.

S Corporations may have between 1 and 100 shareholders, which can include individuals, estates, certain trusts, and tax-exempt organizations. Income and losses are passed through to shareholders, thus avoiding the double taxation inherent in a C corporation. However, S Corporations are governed by strict rules.

- **Limited Liability company:** LLCs and LLPs offer pass-through taxation and limited liability. They have a flexible structure, which allows any entity to be an owner, including a corporation; investments in other entities are not limited. Special allocations of income and losses are possible

For more information visit

<https://www.irs.gov/businesses/small-businesses-self-employed/business-structures>

Federal Employer Identification Number (FEIN)

If you hire employees, you must apply for a Federal Employer Identification Number. If your business is a sole proprietorship, a FEIN may be helpful, but is not necessary.

<https://www.irs.gov/businesses/small-businesses-self-employed/how-to-apply-for-an-ein>

You may need to register your business with your state as well. **Include a link to the State's Secretary website in your area and the business registration link.**

After registering your business and deciding on a name, you need to open a business account to manage your cash flow.

Operations

Point of Sale (POS) System

- You will need a point of sale system to manage the cash flow of your business. In addition to payment processing, this system may also assist with front of house management and online order processing. Depending on your business size and the type of business you have, here are some POS options to consider:
 - Square for restaurants (best for new restaurants)
 - Clover (best for quick service restaurants)
 - Lightspeed restaurant (best pos for small and medium sized restaurants)
 - Touch bistro (best for full service restaurant)
 - Toast (best system for Android systems)
 - Loyverse (best free post software)

Food system resources

- **Food-specific resources and services**
 - **Include a list of specific resources and services such as where to buy furnishings, cutlery, appliances, uniforms etc.**
- **Commercial kitchens**
 - **Include a list of commercial kitchens in your area.**

Employment and Human Resources

As you launch and grow your business, you may need to hire employees. This process includes writing a job description, posting the position on various jobs boards, and completing the necessary legal steps to officially hire new staff.

There are many factors and laws to consider when you hire an employee of your business. There are many different State and Federal requirements you'll need to complete when you hire an employee, including obtaining your Federal Employment Identification number (EIN), your state's Taxpayer Identification number, and workers compensation insurance.

As you hire employees, be sure to follow all wage and employment guidelines.

- **Include links to local job training and placement services and workforce investment departments.**

Permits and licenses - Include a link to the specific pages for all the licenses and permits needed. If possible, add information about which government body manages the licenses and/or permits (i.e., city, county or state).

- Be sure to secure the necessary permits, licenses, and insurance for your business. Some might have additional costs. Some license, permits and insurance to consider include:
 - Liquor license
 - **Cottage Food licensing**
 - Food licenses
 - To certify that you are safety, handling, storing and serving food up to code
 - Health department permits
 - Inspection (food storage, preparation, serving)
 - Maximum occupancy, fire hazards, ventilation, food surface, types, sink placement, restroom, regulations, etc.
 - Insurance coverage:
 - Restaurant insurance
 - Property insurance
 - General insurance
 - Liquor insurance
 - Auto insurance
 - Workers compensation insurance
 - Unemployment insurance
 - Life insurance
 - Fire insurance
 - Loss of business insurance
 - Food contamination insurance

Restaurant/Cafe

- Pick a location: When picking a location for your business, make sure you check with your city to see if the building can be used for your type of business. Neighborhood business associations are a great resource when trying to identify a potential location for your business. Connect with your neighborhood business associations to learn more about various neighborhoods and potentially available properties.
- **Letter of Intent (LOI):** Oftentimes the first step towards creating a commercial lease agreement is a document called the "letter of intent". Once the tenant and landlord have agreed upon the most basic terms of the commercial lease, have come to some basic mutual understanding, and both are ready to proceed with a commercial tenancy one of two things will happen:
 1. Commonly, the landlord will offer up an initial draft of the lease agreement for the prospective tenant to go over.
 2. Alternatively, either party may write up a letter of intent which basically states that the tenant (or landlord if he or she drafts the document) is serious about committing to a lease and ready to move forward.
- Please see link for LOI template
<https://www.nolo.com/legal-encyclopedia/clb-commercial-lease-letter-intent>
- **Lease negotiation:** Lease terms to negotiate:
 - Length of lease: Month to month or over a number of years?
 - Price per square foot.
 - What sort of property insurance is included (e.g. fire, flood)?
 - Are utilities included in the lease price?
 - Who is responsible for building maintenance and repairs and bringing the building up to code?
 - Are renovations or modifications needed? These are also called Tenant Improvements (TIS)
 - If so, what are the costs?
 - Is the building up to code?
 - Who will be responsible for obtaining the necessary permits and inspections from the City? Tenant improvement costs may be negotiated as part of the lease/rent.
 - How much rent can increase each year?
 - What happens if your landlord decides to sell the property, or a neighboring anchor tenant leaves?
 - Options to sublet the space, transfer the lease to a new business owner, or terminate the lease.

- **Considerations:** If you're planning to make renovations, serve alcohol, or conduct other activities that require a license or permit, keep in mind that there may be delays that are out of your control. Try to build flexibility into your lease in case it takes longer than you thought it would to start bringing in paying customers.
- **Professionals who can help:** It's always a good idea to consult with a professional or an experienced mentor who can help make sure you're considering all the possibilities when choosing a location and signing a lease. Consider working with the following types of professionals in the world of commercial real estate: Commercial brokers, property managers, leasing managers, and property insurance agents.
- **Hiring a contractor:** If construction work is required to bring your building up to code, you may need to hire a professional contractor to obtain building permits, oversee work, and schedule inspections with the City
- **Compliance**
 - **Building and permits:** The building your business occupies will need to comply with State and City building codes and have a Certificate of Occupancy before you can open to the public. Your City will review construction plans, issue permits, and conduct inspections for a variety of construction work that may need to be completed to bring your space up to code.
 - **Inspections:** City inspectors will need to visit your business to ensure that it meets the safety standards of your city code. Common items to be inspected are health and food safety, foundation excavations, ventilation equipment, plumbing, electrical, ADA compliant etc. You may need several inspections from each category as the permitting proceeds.

Food truck

- **Costs:** The cost of the truck itself varies depending on the truck's size, age, and any updates or alterations that might be needed to adhere to requirements. **If possible, add an average cost.**
- **Licenses and permits:** To run a food truck, you need to get the necessary licenses and permits. These include health permits, parking permits, and any other business permits. You'll need to adhere to food-handling regulations.
 - <https://www.foodtrucknation.us/wp-content/themes/food-truck-nation/Food-Truck-Nation-Full-Report.pdf>

○ Add a link to the specific page with the food truck licenses and parking permits.

- **Purchase food truck equipment:** Buying a truck and cooking essentials account for a major portion of your startup costs. To reduce your startup costs, you could rent a vehicle to test the waters. You could also consider buying a trailer. While it's less mobile, it's a less expensive way to start.
- **Create a menu:** Since you don't have a ton of space for food prep, your menu should feature just a few key items that can be prepared in tight quarters. You also want to ensure your items can either be prepped in advance or cooked quickly, since customers will be standing and waiting outside of your truck while you cook.
- **Invest in the right technology:** To ensure a successful and seamless transaction for customers, invest in a secure payment system that is both fast and reliable. To prepare for rush hours, you want your payments processor to take customer payments quickly so you can maximize sales. Many food truck owners seek additional technology to aid in reporting and operations. Square's POS system has inventory management and reporting capabilities that can help you run and grow your business.
- **Attract customers:** You want to make sure you have a crowd wherever and whenever you park your truck. Start with a truck design that captures attention on the street and speaks to your concept. Research the best locations to park your vehicle based on the time and day. Encourage customers to promote your food on social media platforms.
- **Create a food truck concept:** Food trucks often succeed or fail based on concept. Most successful food trucks choose concepts that are either very niche, a unique take on a common cuisine, or something completely new. In that last category, combinations of cuisines have proved popular

Private Label

Private label goods are goods that are retailed, packaged, and sold.

Choose the product you want to sell: The core of a private label brand is finding a product and then putting your own label on it. You can decide the product based on a personal brand, your passion, a secret recipe or a unique perspective on a product.

Additional business costs: Private label goods tend to be more expensive than reselling or drop shipping. To figure out the margins, calculate the costs incurred at the initial creation of the product to the warehouse or store of your choice. This includes

manufacturing costs, shipping and customs, and inbound shipping. Typical costs include:

- **Production costs:** The materials, manufacturing cost, labor and shipping costs.
- **Packaging:** The presentation of the finished product, including branding, name and logo
- **Commercial Kitchens:** Commercial kitchens are fully equipped prep kitchens that can be rented out for shared use. Commercial kitchens are licensed as such.

Food labels: Labels for private label food goods are very important. Two labels are needed. The front label should have your logo and branding. The back label is the nutritional label that shows:

- **Address of production**
- **Ingredient listing**
- **Allergy warning**
- **Nutritional information and analysis:** breakdown of the products (calories, etc.)
 - *If you sell less than 100,000 units a year and have less than 100 employees you are eligible for FDA exemption from nutritional analyses

Catering

Providing food and drink at a social event or other gathering, typically as a professional service.

Additional Considerations: Catering businesses come with their own unique additional considerations. These include:

- **Defining what kind of catering you will do:** Find your niche and define what sets your catering business apart from others. This may be determined by what types of service you provide (cocktail receptions, buffet style catering) the types of events you cater (banquet/ wedding catering) or the type of cuisine you offer.
- **Service:** You'll need to find the necessary items to insure a professional service experience. This includes having professional cookware, linens, tableware, flatware and tables and chairs. Staff uniforms may also be needed. Some of these items can be rented.

Professional Services - Include any organizations that are funded to help provide these services.

- **Accounting and bookkeeping:** Proper management of cash flow is essential in running a business. You can hire an accountant or bookkeeper to help manage this or sign up for online accounting and bookkeeping services. These professionals can assist with managing income statements, determining profitability and tracking expenses. You will need these documents when filing your taxes.
- **Legal:** Consider if you'd like to protect your brand and logo by trademarking it. You can also file for patents, copyrights and intellectual property protection. Legal professionals can also assist with employment contracts as well as contracts with vendors and other businesses.
- **Marketing:** You will need marketing support to help generate traffic to your business. Marketing professionals can assist with print and online advertising, public relations, social media and branding.
- **Tech support:** To optimize for success, you will need to launch a website and create directories and accounts on sites like Google Maps and Yelp. Technical professionals can assist with creating a website and adding payment gateways.

Grow

Marketing Strategies

Customer Engagement: It costs up to 3 times more to get a new customer than sell to a repeat customer. You can use a customer management system or a loyalty program software to stay engaged with customers.

Digital marketing: Consider implementing email marketing strategies to keep your customers and fans engaged with your business. These can be managed through platforms such as Mailchimp.

Social media marketing: Through social media, you can reach a broader audience. Interactive content like creating short videos or posting deals and coupons can help keep your product and services top of mind.

Form Strategic partnerships

Networking: Look for companies that are complementary to your own to potentially expand your contract. For example, if you offer catering services, you can partner with a venue.

- **Include links to local and regional chambers of commerce, restaurant associations, and other local business communities in your area.**

Licensing deals: Consider licensing your product to others and sharing the revenue.

Franchise model: As your business becomes more successful, consider a franchise model to grow and expand your reach.

Enterprise Contracts and Certifications

Certify as a woman-, native- or veteran-owned or small, disadvantaged business.

Through the [U.S. Small Business Administration \(SBA\)](#), you can complete a certification process and contract with the federal government. Certification as a woman-, native-, minority- veteran-owned business or a small business can increase access to government contracts.

Research your local supplier diversity certification programs. Some of these programs are at a regional level, county level or city level and at times have a mandate to do business with woman-, native-, minority- veteran-owned business.

Government contracts: Look into doing business with your local government agency for additional information about their procurement process.

- **Include links to small business procurement website and processes. Include links to government contract websites and any necessary application process needed for a business can apply for an RFP.**

Company contracts: Many large companies have supplier and procurement programs and host procurement open houses.

- **Include links to multi-company procurement events or websites. Include links to contact information for company procurement pages.**

About

Include your organization's description and mission, as well as contact information.

We also respectfully request that you also include the following information: [Open Access](#) © 2022 by [Food & Society at the Aspen Institute](#) is licensed under [CC BY 4.0](#)

About Open Access

Funded with a scoping grant from The Robert Wood Johnson Foundation, [Open Access: Equitable Equity For Food Entrepreneurs](#) aims to lower barriers to financing and business ownership. The first phase of the initiative, at [EquitableAccessEquity.org](#), is an open-source code web portal for local governments or organizations to customize with current sources of start-up and working capital financing, education, and support resources. The code is free to use with a friendly user design and content structure developed to create a centralized pathway to information, training, permits and licenses, and opportunities for small food entrepreneurs and businesses owners of color.

Food & Society at the Aspen Institute brings together leaders and decision-makers in the food and beverage industry and the public health community—scientists, nutritionists, environmentalists, entrepreneurs, chefs, restaurateurs, farmers, and food makers of all kinds—to find solutions to production, health, and communications challenges in the food system. The goal is for people of all income levels to eat better and more healthful diets—and to enjoy them bite by bite. For more information, please visit [AspenInstitute.org/Food](#) or follow us on [Twitter](#), [LinkedIn](#), [Instagram](#), and [Facebook](#).

The **Aspen Institute** is a global nonprofit organization committed to realizing a free, just, and equitable society. Founded in 1949, the Institute drives change through dialogue, leadership, and action to help solve the most important challenges facing the United States and the world. Headquartered in Washington, DC, the Institute has a campus in Aspen, Colorado, New York and an international network of partners. For more information, visit [www.aspeninstitute.org](#).