

Food Truck Development & Design Curriculum



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Food Truck Development & Design Curriculum

Nothing is more rewarding than having a business dream that you bring to fruition. Food truck operation has become a popular method for entrepreneurs in the food industry to recognize their dreams on a smaller scale. Along with the traditional elements of operating a restaurant—developing recipes, working with the public, and maintaining a site—food truck operation also brings unique benefits with it. Such benefits include flexibility of location and less overhead cost. The purpose of this curriculum is to serve as a guide for future restaurateurs who envision a similar dream for themselves.

Curriculum Structure

The Food Truck Development and Design curriculum is composed of the following lessons. Approximate lesson times are included.

Lesson	Title	Approximate Time
One	Marketing for Food Trucks	240 minutes
Two	Budget Management for a Food Truck Business	180 minutes
Three	Menu Development	240 minutes
Four	Interior Food Truck Design	240 minutes
Five	Business Plan Know-How	180 minutes
	Menu Design Practice (Supplemental)	60 minutes
	Total	18 hours

Lesson Structure

Each lesson begins with a Lesson Overview, Lesson Objectives, and a Lesson at a Glance table which lists the lesson activities, materials required, suggested preparation steps, and approximate class time.

Lesson Sections

The actual lesson follows the overview, which will contain some of the sections described below.

FOCUS

Every lesson begins with a FOCUS activity intended to capture participants' attention. This may be in the form of a small or large class discussion, a game, a review of previous lesson information, or a demonstration. During this activity, participants are introduced to the topic of the lesson.

LEARN

The LEARN activity in each lesson varies in its presentation mode. It may be a slide presentation, group activity, or demonstration.

REVIEW

The majority of lessons end with a REVIEW activity intended to briefly review the lesson's key messages or main points.

About the Author



Holly Yount is a freelance educator and writer. She has worked in some form of educational pursuit for most of her adult life. She earned a B.A. in English and served as an ELA instructor at the middle school level for nearly ten years. Later, she taught in the private school sector as a humanities and yearbook instructor. In that capacity, she began her first efforts at designing curriculum units other than those used within her classroom.

Mrs. Yount then earned her M. Ed. in Curriculum and Instruction in 2011 and served as a program administrator for three years. She once again stepped into the classroom in 2017 to teach Spanish, English, and Business English courses at the high school level.

She has had children's articles published with *Highlights for Children*, *Nature Friend*, and *Breakaway ezine*. Her curriculum writing experience has been varied, contributing to several online education companies across the U.S.

Lesson One – Marketing for Food Trucks

Lesson Overview

In this lesson, we will explore the various marketing components necessary in becoming a successful food truck vendor. Such components include market research, company branding, product development and advertisement.

Lesson Objectives

After completing this lesson, participants will be able to:

- Assess their knowledge of food truck design and development
- Identify the components necessary to begin a small business venture
- Recognize the importance of proper research and preparation involved in developing a strong and cohesive business design model

Lesson at-a-Glance

Activity	Materials	Preparation	Approximate class time
FOCUS	• Colored butcher paper • Large-tipped markers • Tape/stapler (or another method for hanging paper) • YouTube video <i>Introduction to Marketing</i>	1. Cut enough 4 ft. to 5 ft. long pieces of butcher paper to have one per learning group	30-45 minutes
LEARN Activity 1 Activity 2 Activity 3	• <i>The Four Components of Marketing</i> handout • <i>Understanding the Components of Marketing</i> worksheet • <i>Product Research Survey</i> • <i>Product Analysis</i> worksheet • <i>Marketing Vocabulary</i> worksheet • <i>Marketing for Food Trucks</i> slide presentation	1. Print/photocopy each handout/worksheet for each participant for Activity 1 and Activity 2 of the lesson activities 2. For Activity 3, prepare the <i>Marketing for Food Trucks</i> slide presentation for viewing	180 minutes
REVIEW	• <i>Marketing Assessment</i> • <i>Marketing Assessment – Answer Key</i>	1. Print/photocopy the <i>Marketing Assessment</i> for each student	30 minutes

Note: The lesson has been broken into two sections (Activity 1-2 and Activity 3) for adequate lesson coverage.

Lesson One – Marketing for Food Trucks

FOCUS: Introduction to Marketing

30-45 minutes

Purpose:

Participants will collaborate on what they believe marketing activities entail.

Materials:

- Large sheets of colored butcher paper (one piece for each group of students)
- Large tipped marker
- Tape/stapler (or another method for hanging paper)

Facilitation Steps:

1. Divide students into groups of equal size.
2. Provide butcher paper and markers to each group and share the lesson objectives with them during this preparation.
3. Ask students to consider the idea of marketing a product. Tell them to brainstorm with their group to develop all the elements that they believe are involved in marketing. Each group needs to come up with a group name to put on the top of their paper. They will also want a symbol to go with the name that represents their team. After preparing their paper, have each group list all the parts involved in a good marketing strategy. When they finish with their lists, have each group write a one-sentence explanation at the bottom of the butcher paper that explains why their list is the best in the class.
4. Display the teams' papers as close together as possible so that the students can compare them.
5. Compare the list of elements that each team says is part of marketing a business. At this point, you may notice similar answers, like "advertising," "commercials," etc. You can acknowledge good answers by placing a check beside them as you review the lists aloud with the class.
6. Once you have completed a quick review of the list portion of the answers, tell the students that they technically developed three portions of marketing without realizing it. Ask the students if they know what those three portions include.
7. When the students have had a chance to guess, explain that they developed a group/business name, a business logo, and a short advertisement for their product with their answers to the activity.
8. Point out the obvious. A real business would require them to have a more well-thought-out name, logo, and advertisement. The point here is that good marketing is out in the open where people can see it, yet the strategy behind it is more detailed than one realizes.
9. Explain to the students that marketing has a 4-pronged approach called the 4 Ps of Marketing: product, price, place, and promotion. These elements will be discussed throughout the lesson. Ask students to keep the 4 P's in mind as we move into the next segment of learning.

The following link provides a solid working definition of marketing. Introduction to Marketing: Marketing 101
<https://youtu.be/8Sj2tbh-ozE>

Lesson One – Marketing for Food Truck Business

LEARN: The Four Components of Marketing

180 minutes

Purpose:

Participants will develop an understanding of the four components involved in marketing a business and, through research activities, develop an appreciation for the marketing process.

Materials:

Activity 1

- *The Four Components of Marketing* handout
- *Understanding the Components of Marketing* worksheet
- *Marketing Vocabulary* worksheet

Activity 2

- *Product Research Survey*
- *Survey Analysis* worksheet

Activity 3

- *Marketing for Food Trucks* slide presentation

Facilitation Steps:

Activity 1

1. Provide the handouts and worksheets noted above for **Activity 1** of the lesson.
2. Using the handout, *The Four Components of Marketing*, discuss product, price, place, and promotion (also known as the 4 Ps of marketing).
3. After discussion, have the students get into partnerships to complete the *Understanding the Four Components of Marketing* worksheet. Provide time for groups to share the way they would utilize the 4 Ps in a business.

***As time permits, students should be filling in the *Marketing Vocabulary* worksheet. They will encounter several terms from the list during each activity.**

4. Feel free to carry over portions of the activities to subsequent days as needed. It is more important for students to understand the concepts than to rush the activities.

Activity 2

1. Have the same partners from **Activity 1** collaborate on a potential food truck business. They will narrow down possible products and establish a price point for each one the business would sell. Next, they need to decide who their target audience should be.
2. Pass out the *Product Research Survey* and *Survey Analysis*. Tell the students that the goal is for each group to survey target audiences about the products that the team is considering selling at their food truck. The survey results will help them determine which products will sell best.
3. For homework, the groups will need to survey a minimum of twenty people in their target audience for each product. If they have only one product, the business team can divide that number between them to poll their target audience. Otherwise, each team member could have an individual product OR two products split between four team members. No matter how many products the team chooses to survey, they need a minimum of 20 survey answers per product.
4. On the following day, have the groups compile their information. Once they have tallied the responses, guide the groups through the analysis questions. Provide students a few minutes to discuss and record their answers. At the completion of the analysis, have them submit the surveys along with the analysis worksheet for review.

Activity 3

1. For **Activity 3**, students will view information regarding branding, business names, and business logos through a slide presentation. Share this information as you proceed through the presentation.

Slides 1: Introduction

Slide 2: Explain the learning objectives of the activity to the students.

Slide 3: Review the essential questions that students should be able to answer upon completion of the lesson.

Slide 4: Define the term “branding” as it relates to business development.

Slide 5: Discuss key elements of business branding.

Slide 6: Explain to the students that there are two basic parts involved in creating a brand—the mission and vision statement.

Slide 7: Define the vision statement. Each of them helps guide a business in its branding process.

Slide 8: Ask the students to guess the mission statements of three well-known companies (1. Google, 2. Chobani Yogurt, 3. McDonald’s).

Slide 9: Discuss with the students the importance of selecting the right name for a business.

Slide 10: Show some creative names for pizza restaurants.

Slide 11: Review four important points to remember when preparing to name a business. Explain that selecting a name requires research. It is especially important to do a name search; if they choose a name that is already in use, they could face a lawsuit.

Slide 12: Discuss logos and why businesses use them.

Slide 13: Encourage class discussion as to why the popular logo designs work so well. Possible answers may include bright colors, fun designs/images, etc.

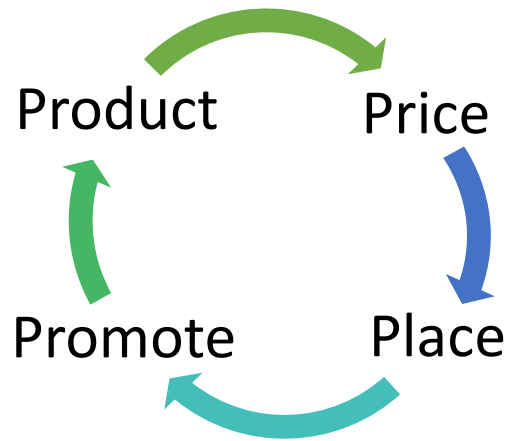
2. As a supplemental activity, have business teams develop a business name and logo

based on the product they surveyed in **Activity 2**. Provide each group with a couple of pieces of blank white copy paper for planning and design. Acknowledge good answers by placing a check beside them as you review the lists aloud with the class.

Name: _____ Class: _____

The Four Components of Marketing

When many **entrepreneurs** consider starting a business, they often equate the term “marketing” in their minds to advertising strategies, such as commercials for television, radio, or internet. They may even consider ads in a publication like a newspaper, a magazine, or on a billboard. Well, certainly, these are all forms of marketing. However, true marketing comprises much more than just advertising. In fact, every marketing professional is familiar with the basic four-pronged approach known in the marketing world as the 4 Ps. Look at the diagram below:



Product: The most obvious element in the marketing plan is the product. Without a product (or service), you do not have a business. A potential businessperson must put adequate research into deciding on and developing the right product. Just because you think you have a great product does not mean it will sell. It must be **viable**—something the public wants or needs. The product should also have unique qualities that similar products may not possess, and it must be something that can be developed in an efficient manner to control company costs. Not every great-sounding product will be embraced by the public; just ask the Ford Motor Company about its 1957 Edsel, or Coca Cola regarding their 1980s New Coke!

Price: Once you have performed extensive research on the best product to sell, your next focus should be on the price. A sandwich shop doesn't have the luxury of randomly slapping \$4.99 on its product and calling it a day. The numbers may sound good, but is it a **price point** that the **consumer** will be willing to pay and feel good about paying? The best price of a product hovers somewhere between the expense required to make the product and the amount the public is willing to pay.

Place: Have a great product? Check. Found a fair price? Check. Next, a business owner must decide where they will sell the product. The possibilities are nearly endless—a storefront, on the internet, street corners, a home office, at a mall kiosk, etc. Once again, knowing your **target audience** and how they make purchases will ultimately help you select the manner in which you supply the product.

Since this lesson involves food truck development, part of the issue with place has already been established. However, a food truck's mobility will require you to decide if you prefer the security of a

stationary location or the freedom of moving about. Also, community regulations will affect your final decision, so once again, research is required to make the most informed decision.

Promotion: Only after you have settled on a product, price, and place will it finally be time to talk advertisement. Your business—whether it is a one-person show or a team of ten, a hundred, or thousands of employees—must figure out the best way to spend the advertising budget. Once again, this means knowing how your target audience shops—online, in a store, by recommendations, etc. Once you understand the **buying trends** of the target audience, then you will know how best to spend the advertising money. Let's face it, advertising a triple all-beef patty hamburger in a vegetarian magazine would probably be a waste of money!

Name: _____ Class: _____

Understanding the Components of Marketing

Directions: Imagine owning one of the types of businesses represented below. Decide on a specific product for each category (for example, fruit and yogurt smoothies in the food industry) and how you would apply the remainder of the 4 Ps in your marketing strategy.



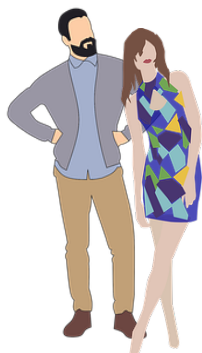
Food Industry

Product: _____

Price: _____

Place: _____

Promotion: _____



Clothing Industry

Product: _____

Price: _____

Place: _____

Promotion: _____



Appliances/Technology

Product: _____

Price: _____

Place: _____

Promotion: _____



Jewelry

Product: _____

Price: _____

Place: _____

Promotion: _____

Name: _____ Class: _____

Marketing Vocabulary

Directions: Define each of the terms based on the context of the sentences in which they were used in the lesson.

1. Entrepreneur:
2. Marketing:
3. 4 Ps:
4. Price point:
5. Target audience:
6. Consumer:
7. Buying trend:
8. Viable:
9. Unbiased:
10. Mission statement:
11. Vision statement:
12. Branding:
13. Logo:
14. Negative name recognition:

Name: _____ Class: _____

Product Research Survey

Take your first step toward developing a food truck business. With a business team of 2-5 people, decide on a couple of food products that you would like to act as the primary focus of your business. Then, establish your target audience and a potential price.



Conduct a survey of 20 people for each product within your target audience to see how well-received this product might be in your community. A truly informative survey will require asking more than just friends and family. You want **unbiased survey** results; otherwise, you have wasted your time. Put one tick mark in the box that corresponds with each responder's answers.

Tally your team results for each product you survey. The results will help you as you decide on a workable budget and a great menu.

Product: _____ Target Audience: _____ Price: _____					
					Total Responses
1. Is this a product you would be interested in buying? See Question 5.	Highly likely	Most likely	Unlikely	Not sure	
2. Would you be willing to purchase this item from a food truck establishment?	Highly likely	Most likely	Unlikely	Not sure	
3. How likely are you to buy this product at the price point given?	Highly likely	Most likely	Unlikely	Not sure	

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4. How often do you believe you would purchase this product?	More than once a month	Monthly	Weekly	Never	
5. If you would not purchase this product, please explain why not.					

Name: _____ Class: _____

Survey Analysis



Directions: Complete the questions below by reviewing the results of your survey.

1. For Survey Question 1, what did you learn about your product's viability based on the survey results?

2. For Survey Question 2, compare the results of Survey Question 1. Is your product a good choice for a food truck or would it be better in a storefront?

3. Based on the survey results, what percentage of people were pleased with the price? Do you need to lower the price, raise the price, or keep it in the same range? Explain your reasoning.

4. Examine the results of Survey Question 4. Do you think you will be able to generate enough business to keep your food truck business operational? Explain your reasoning.

5. Look over Survey Question 5. Did you have any recurring themes or answers in public opinion about the product? What did you learn from community input?

6. Give an overall assessment of your survey. Does it appear that your product decision will be successful, or do you think you need to develop a different product?

Lesson One – Marketing for Food Truck Business

REVIEW: Marketing Assessment

30 minutes

Purpose:

Assess participants' understanding of the four components involved in marketing a business.

Materials:

- *Marketing Assessment*
- *Marketing Assessment* – Answer Key

Facilitation Steps:

1. Hand out the *Marketing Assessment* and give participants approximately 15 minutes to complete it.
2. When all participants have completed the assessment, either have them hand it in to be graded or review them as a class.

Name: _____ Class: _____

Marketing Assessment

Directions: Match the business/marketing terms in the left column with their proper meaning on the right. Place the letter of each answer in the blank beside the term it defines.

- | | |
|---------------------------|---|
| 1. ____ Price point | A. the formal declaration of what a company values. |
| 2. ____ Buying trend | B. suggested product price based on prices of similar products. |
| 3. ____ Entrepreneur | C. the declaration of the direction a business plans to go. |
| 4. ____ Mission statement | D. what people are shopping for and how they buy it. |
| 5. ____ Vision Statement | E. a person who organizes and manages a business. |

Fill in the Blank—Directions: Read each sentence carefully. Complete the sentence by inserting words from the lesson vocabulary or from the lesson readings.

6. The 4 Ps of marketing include _____, _____, _____, _____.
7. The promotion of a particular product or company by means of advertising and distinctive design is called _____.
8. The purpose of doing a name search before naming your business is _____.
9. A consumer is a person who _____.
10. The visual representation of a business is known as its _____.
11. Branding usually involves a business constructing two summary-like explanations called the _____ and _____, which guide the business in their branding process.
12. When a business name becomes associated with a bad situation it is called _____.

Marketing Assessment – Answer Key

Directions: Match the business/marketing terms in the left column with their proper meaning on the right. Place the letter of each answer in the blank beside the term it defines.

- | | |
|-------------------------------|---|
| 1. <u>B</u> Price point | A. the formal declaration of a company's values. |
| 2. <u>D</u> Buying trend | B. suggested product price based on prices of similar products. |
| 3. <u>E</u> Entrepreneur | C. the declaration of the direction a business plans to go. |
| 4. <u>A</u> Mission statement | D. what people are shopping for and how they buy it. |
| 5. <u>C</u> Vision Statement | E. a person who organizes and manages a business. |

Fill in the Blank—Directions: Read each sentence carefully. Complete the sentence by inserting words from the lesson vocabulary or from the lesson readings.

6. The 4 Ps of marketing include product, price, place, promotion.
7. The promotion of a particular product or company by means of advertising and distinctive design is called branding.
8. The purpose of doing a name search before naming your business is – so you don't claim a name that is already being used—which could lead to a lawsuit.
9. A consumer is a person who purchases products.
10. The visual representation of a business is known as its logo.
11. Branding usually involves a business constructing two summary-like explanations called the mission statement and vision statement, which guide the business in their branding process.
12. When a business name becomes associated with a bad situation it is called negative name recognition.

Lesson Two – Budget Management for a Food Truck Business

Lesson Overview

In this lesson, we will develop a working knowledge of small business budgets, in particular how they relate to food truck management. Additionally, students will learn terms frequently associated with the financial side of most small business ventures. Finally, students will become aware of ways to best monitor finances in relation to a small business.

Lesson Objectives

Upon completing this lesson, participants will be able to:

- Assess their ability to manage the budget of a small business
- Identify the expenses involved in developing a small business, particularly a food truck
- Recognize the importance of proper budget management in the overall success of a business

Lesson at a Glance

Activity	Materials	Preparation	Approximate class time
FOCUS	• Colored butcher paper • Large-tipped markers	1. Cut enough 4 ft. to 5 ft. length pieces of butcher paper to have one per learning group.	30-45 min.
LEARN Activity 1 Activity 2 Activity 3	• <i>Seed Money Storylines</i> • <i>Food Truck Budgeting – Step 1</i> worksheet • 23 containers (bags/boxes/cups) for holding slips of paper • Slips of paper with dollar amounts for each sub-category on the budget chart; teams will receive one (1) slip per subcategory • <i>Estimated Yearly Budget Chart</i> worksheet • <i>Yearly Budget Analysis</i> worksheet • <i>Budget Vocabulary</i> handout • <i>Budget Management for Food Truck Ownership</i>	1. Print one copy of the storylines, cut apart and place in a container for groups to draw out. 2. Print/photocopy each handout/worksheet (4 total) for each participant for Activity 1 and Activity 2 of the lesson activities. 3. Label 23 containers: one for each subcategory on the budget chart (i.e. rent, gasoline, maintenance). 4. Cut up dollar amounts for each subcategory. Place each set of amounts in the proper subcategory container. There should be one slip for each team in the class for every container. 5. Prepare the slide presentation, <i>Budget Management for Food Truck Ownership</i>, for viewing.	130-180 min.
REVIEW	• <i>Budget Management Assessment</i> • <i>Budget Management Assessment – Answer Key</i>	1. Print/photocopy the <i>Budget Management Assessment</i> for each student.	30 minutes

Lesson Two – Budget Management for a Food Truck Business

FOCUS: Introduction to Budgeting

30-45 minutes

Purpose:

Participants will collaborate on what they believe comprises a budget for a food truck business.

Materials:

- Large sheets of colored butcher paper (one piece for each group of students)
- Large tipped marker and tape/stapler (or another method for hanging paper)
- *Budget Vocabulary* handout

Facilitation Steps:

1. Have students form their business teams from the previous lesson.
2. Provide butcher paper and markers to each group. Share the lesson objectives with the students during this preparation. You may want the teams to place the business name and logo that they developed in Lesson One on the top of the butcher paper.
3. Ask students to consider all the items they believe will be necessary for opening a food truck business. Tell them that they will be brainstorming with their group (just like they did in Lesson One) to come up with a list of items. After 10-15 minutes, give teams another minute to order their list according to importance.
4. When they are finished with their brainstorming, ask the teams to estimate how much money they think they would need to start their food truck business. Have them write that number under the list.

*** It is always good to estimate before learning the actual numbers so that the students can see how realistic and knowledgeable they are toward the subject.**

5. Display the teams' lists as close together as possible so that the students can compare them.
6. Review the lists. For added fun, you could review the various groups' information in a game show format, offering bonus points (or fake money) toward a future assignment in the unit. Provide categories, like the group with the best estimate of start-up costs the group with the most properly ordered list according to importance, or the most comprehensive list.
7. At the end of the focus activity, students should understand that many factors go into figuring the cost of establishing any small business, and that is also true of a food truck. Some people have been able to get a food truck up and running with as little as \$15k while others have needed as much as \$100K. The size of the truck, the state and city you choose to operate in, and the food you opt to serve all factor into the overall cost.
8. Move to the slide presentation and review **Slide 3** and **Slide 4**. The basic list of start-up needs that the groups should understand before completing the focus activity should include the following: vehicle, insurance, permits, supplies, payroll, advertising, and emergency/unplanned expenses. This is by no means a comprehensive list, but it will lay the groundwork for the upcoming lesson.

The following link provides additional info. for figuring budgetary details.

<https://fitsmallbusiness.com/fica-taxes-unemployment-insurance-and-workers-comp/>

<https://youtu.be/j8qaK4CK8Ho>

Lesson Two – Budget Management for a Food Truck Business

LEARN: What is a Budget?

150 minutes

Purpose:

Participants will develop a working knowledge of budgets for small business models in the food industry.

Materials:

- *Seed Money Storylines* teacher resource (and a container to place these in once they are cut apart)
- *Food Truck Budgeting: Step 1* worksheet
- Student access to the internet for research
- *Estimated Yearly Budget Chart* worksheet (23 containers i.e. plastic cups labeled with sub-categories)
- Team Expense cut-out slips
- *Yearly Budget Analysis* worksheet
- *Budget Management for Food Truck Ownership* slide presentation

Facilitation Steps:

1. **Activity 1:** Provide the handouts and worksheets noted above for Activity 1 of the lesson. Cut apart the storylines and place them in the plastic cup, hat, or small box. Make sure the same business teams from Lesson 1 are sitting together.
2. **Share the slide presentation.**
Slide 1: Introduction.
Slide 2: Review learning objectives.
Slide 3: Review essential questions.
Slide 4: Tell the students that the first step to starting any business is locating the money. Define seed money. For the purpose of moving through the steps of budgeting, tell the students that they have been provided seed money to establish their biggest dream—owning a food truck.
3. Have one member from each business group draw from the container to see where they received their seed money from and how much money they received.

4. **Slide 5:** Define the term “budget” for the students. Discuss each of the other words on the slide that closely connect to a budget—fiscal year and working capital.
5. **Slide 6:** Introduce the basic areas of a food truck budget. Have students to do preliminary research on what percentages of their start-up/seed money they should allocate to each category of costs.

*Remind students that if their money came through a loan, then they must also figure in the loan payment. If they have additional interest required in the payment, they need to research the amount of interest that should be added to the monthly loan payment.

Students should realize that start-up (seed) money for a new business could potentially come from anywhere. They must be aware of what type of funding they are agreeing to before signing a **contract or accepting money. They also need to be familiar with how to divide the seed money across all facets of the business.

6. Guide students through the three questions below the budget estimation chart. Provide opportunity for students to ask questions as they examine their estimates, since much of this information may be new to students.
7. If time permits, have students work on the vocabulary page, filling in any information they have encountered in this activity.
8. **Activity 2:** This will be Day 2 of the lesson. Provide all students with the yearly budget worksheet. Cut out team expense slips and put them in subcategory containers for drawing later.

Slide 7: Remind the students that on the estimation chart from the previous lesson, we had only discussed the basic categories and figured out the percentages of the budget that each category would need. Now they are

ready to discuss the subcategories that form each basic category. The further into the planning process, the more details they will have to know.

9. **Slide 8:** Place the 22-23 subcategory containers where the students can see them. Explain that you have placed potential cost amounts on slips of paper and placed them in the containers. One member from each group should draw an amount out of the cup and the team will record the information on their yearly budget worksheet. Teams will continue this process until all subcategories for the yearly budget are completely filled in. Depending on the information a group draws from the containers, they may have additional math to do.

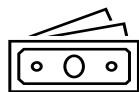
Example: If they received a monthly amount, students should multiple the amount by 12 months in order to get the full amount that should go into the chart.

*Note: Some teams will have a bank loan or other type of loan to figure into their budget.

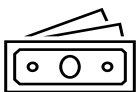
Slide 9: Students will be assessing their budget information on Day 3. Guide the teams through the analysis questions. After explanation of each question, provide students a few minutes to discuss and record their answers. When the analysis is complete, have students submit for review.

10. Any vocabulary terms that students have not defined should be discussed so the page can be completed.

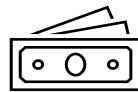
Seed Money Storylines



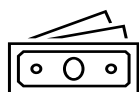
Great-great Uncle Milford was an oil tycoon with oil wells spread throughout the Middle East. He developed long-lasting relationships with several desert princes. When he died of a mysterious desert fever, he left a will which required \$400,000 be given to his favorite niece or nephew to pursue a dream of owning a food truck franchise.



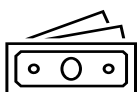
Your father was a hard-working businessman for fifty years. He has decided that he wants to retire and spend his leisure time fishing and traveling to national parks. He sold his business and divided the proceeds among his seven children. You have become the recipient of \$50,000 from the sale of his Rent-A-Monkey Enterprises.



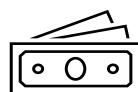
Your best friend discovers she has a bank account in an obscure country on the other side of the world. The account was opened for her by her great-great grandfather during WWII. She wants to reward you for always being there to encourage her. She sends you \$100,000 dollars to begin your dream-come-true food truck business.



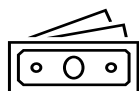
You just received word that you are the recipient of a Young Entrepreneur's Business Grant that allows you to fund a dream business. You choose to move forward with your long-lasting dream of opening a food truck business. The grant has provided you with \$75,000.



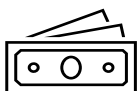
Several friends and family members have encouraged you to open a food truck business using your award-winning recipes that placed first at the county fair. You take out a business starter loan of \$250,000 dollars.



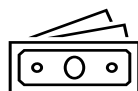
Out of desperation to become your own boss and travel the world (well, maybe just the state!) you decide to sell all your worldly possessions in a huge garage sale and use the earnings to open your own food truck. At the end of your garage sale blowout weekend, you had raised \$85,000.



Your dream of building a food truck dynasty has become too much for you. You ask to borrow money from your parents, and they agree to give you an interest-free loan of \$200,000. They have one stipulation: you must re-pay half of the loan within ten years and the other half must be given to a charity of your choice within the next five years.



You worked as a clown in a traveling circus for one year to earn cash for your start-up business. You had no living expenses since the circus company provided food and housing for all the performers. You managed to save \$50,000 dollars plus an additional \$12,000 from giving lessons in face painting. You are now ready to leave the circus world and open a food truck business.



You found a wallet in the dollar store parking lot with \$200 in it. You return it to the store's lost and found. The owner is so grateful for your honesty that she gives you a gift of \$50,000 to start your business and also agrees to loan you an additional \$50,000 at an unbelievably low interest rate of 4%.

Team Expenses

Business loan	TBD				
Vehicle loan/rent	\$900/mo.	\$950/mo	\$975/mo.	\$1020/mo.	\$875/mo.
Gasoline	\$600/mo.	\$900/mo.	\$720/mo.	\$1000/mo.	\$850/mo.
Maintenance	\$500/yr.	\$500/yr.	\$650/yr.	\$375/yr.	\$485/yr.
Commercial auto	\$1500/yr.	\$1650/yr.	\$1700/yr.	\$1400/yr.	\$1575/yr.
Gen. liability	\$1260/yr.	\$1300/yr.	\$1385/yr.	\$1200/yr.	\$1340/yr.
Worker's comp.	\$900/yr.	\$900/yr.	\$900/yr.	\$900/yr.	\$900/yr.
Unemployment	\$700/yr.	\$750/yr.	\$725/yr.	\$780/yr.	\$800/yr.
State Disability	\$560/yr.	\$570/yr.	\$580/yr.	\$650/yr.	\$750/yr.
Business license	\$75 one-time fee	\$95 one-time fee	\$1575 one-time fee	\$2000 one-time fee	\$720 one-time fee
Food handler license	\$6.00/per person	\$7.50/per person	\$10.00/per person	\$8.25/per person	\$12.00/per person
Health dept.	\$800	\$900	\$1000	\$2300	\$1275

Parking permit	\$100/mo.	\$100/mo.	\$100/mo.	\$100/mo.	\$100/mo.
Appliances	\$5000	\$8000	\$7225	\$10,000	\$6900
Consumables	\$1000/mo.	\$1200/mo.	\$1300/mo.	\$1400/mo.	\$1500/mo.
Food	\$5000/mo.	\$5000/mo.	\$5000/mo.	\$5000/mo.	\$5000/mo.
Uniforms	\$25/per em.	\$37/per em.	\$42/per em.	\$30/per em.	\$50/per em.
Account. service	\$500/yr.	\$500/yr.	\$500/yr.	\$500/yr.	\$500/yr.
Social security	\$500/mo.	\$500/mo.	\$500/mo.	\$500/mo.	\$500/mo.
Medicare	\$700/mo.	\$700/mo.	\$700/mo.	\$700/mo.	\$700/mo.
Local Payroll tax	\$200/mo.	\$200/mo.	\$200/mo.	\$200/mo.	\$200/mo.
Emer./unplan	\$500.00	\$700.00	\$1000.00	\$625.00	\$1100.00
Radio/T.V. ad	\$200/yr.	\$250/yr.	\$250/yr.	\$270/yr.	\$270/yr.
Print ad.	\$100/yr.	\$150/yr.	\$175/yr.	\$180/yr.	\$125/yr.

Name: _____ Class: _____

Food Truck Budgeting: Step I

Directions: Research and locate the average percentage of a business budget you should set aside for each business cost below. Then, figure out the estimated cost based on the budget you were given.

Amount of seed money:		
Business Costs	Percentage of budget	Estimated (Projected) Cost
Vehicle		
Insurance		
Supplies		
Permits		
Payroll		
Advertising		
Emergency/unplanned		

Total: _____

Directions: Answer the following questions to analyze your preliminary research.

1. Which cost requires the highest percentage of your budget? What options might you have for reducing the cost?

2. Which cost will be the most important in building the business? Explain your reasoning.

3. Which cost will you most likely have to monitor carefully until the business becomes self-sufficient? Why? In what ways could you monitor that area?

Name: _____ Class: _____

Food Truck Budgeting: Step II

A successful business operates **in the black**. If the finances fall **in the red**, the business will be in trouble. By monitoring operational costs during the **fiscal year**, a business owner will see where to cut costs or where there is a **surplus**. Practice breaking down the various budget categories below for a better idea of the costs involved in operating a food truck.

Estimated Yearly Budget	
Bank Loan	Total loan budget: \$
Vehicle	Projected budget: \$
Rent or mo./payment	
Gasoline	
Maintenance	
	Total vehicle budget: \$
Supplies	Projected budget: \$
Kitchen equipment	
Food	
Propane	
Consumables	
	Total supply budget: \$
Permits	Projected budget: \$
Business license	
Health	
Parking	
	Total permit budget: \$
Insurance	Projected budget: \$
Commercial auto	
General liability	
Worker's compensation	
State disability insurance	
Unemployment insurance	
	Total insurance budget: \$



Food Truck Development & Design Curriculum

Payroll	Projected budget: \$
Social security	
Medicare	
Local tax	
	Total payroll budget: \$
Advertising	Projected budget: \$
Print	
Digital	
Television/radio	
	Total ad budget: \$
Emergency/Unplanned	Projected budget: \$

Total Projected Budget: _____ **Actual Budget:** _____

Name: _____ Class: _____

Yearly Budget Analysis

Review your projected yearly budget chart to answer the questions below.

1. Based on the numbers from the total projected budget and the total actual budget, are you under budget or over budget? By how much? _____
2. Do you have a business loan to consider? _____ If so, how much per year? _____ After paying the yearly loan amount, are you still within budget? _____ If not, how much did you go over? _____
3. Which expense category has the closest projected budget to its actual budget? _____
What are the amounts? _____/_____
4. Which expense category has the greatest difference between the projected budget and the actual budget? _____ How much difference? _____
5. Which category were you most surprised about its budgetary needs? _____ Explain what surprised you. _____
6. What percentage of your yearly budget was the food? _____ Does this seem too low, too high, or about right? _____
7. **Working capital** is money set aside to meet your monthly obligations for a short time. It is the money you will rely on after the business opens while you try to build your customer base and have a steady flow of income. Do you have room in your current budget for working capital? _____ If so, how much is available? _____
8. Emergency or unplanned expenses are not always projected in the first year because, again, it is unplanned and therefore an uncertain amount. This category helps you when there are unexpected rises in food costs, if equipment breaks down, or when a necessary fee goes over budget without warning. After all the other expenses, did you have remaining money that you could allocate to the emergency expenses? _____. If yes, how much? _____. What happens if your unplanned expenses wipe out the rest of the budget?
_____.
9. How much should have been set aside for emergency expenses according to the seed money that your team received? _____

Name: _____ Class: _____

Budgeting Vocabulary

Directions: Define each of the terms below as you encounter them in the lesson activities.

1. Seed money:
2. In the red:
3. In the black:
4. Projected budget:
5. Allocate:
6. Interest:
7. Budget:
8. Contract:
9. Daily operating cost:
10. Expenditure:
11. Profit margin:
12. Fiscal year:
13. Working capital:

Lesson Two – Budget Management for a Food Truck Business

REVIEW: Budgeting Assessment

30 minutes

Purpose:

Assess participants' understanding of budgets for small business models in the food industry.

Materials:

- *Budgeting Assessment*
- *Budgeting Assessment* – Answer Key

Facilitation Steps:

1. Hand out the *Budgeting Assessment* and give participants approximately 15 minutes to complete it.
2. Once participants have all completed the assessment, either have them hand it in to be graded or review as a class.

Name: _____ Class: _____

Budgeting Assessment

Match the business/marketing terms in the left column with their proper meaning on the right. Place the letter of each answer in the blank beside the term it defines.

- | | |
|-----------------------|---|
| 1. ____ Seed money | A. the act of spending funds |
| 2. ____ Allocate | B. amount paid above the original borrowed sum |
| 3. ____ Contract | C. legal document that outlines an agreement between |
| 4. ____ Expenditure | D. to distribute for a specific purpose |
| 5. ____ Interest | E. revenue from sales that exceeds the cost of the business |
| 6. ____ Profit margin | F. money used to initiate a project |

True/False: Read each statement below carefully. Decide if it is a true statement or a false statement. Write TRUE or T / FALSE or F.

7. ____ When a business has operational money after paying monthly or yearly expenses, it is called being in the red.
8. ____ Establishing a financial plan for a specific period of time is called budgeting.
9. ____ When a business has more expenses than revenue, it is called being in the black.
10. ____ Vehicle, insurance, supplies, uniforms, and parking permits make up the basic categories of a food truck budget.
11. ____ A profit margin is when your sales surpass the original amount of seed money used to start the business.
12. ____ Each basic category of the budget will have additional subcategories that will have to be monitored for spending as well.
13. ____ A projected budget is an estimate of the amount your research indicates you will likely pay.
14. ____ A fiscal year is the financial year of a business and it runs from January to December.

Vehicle Budget		Projected Budget
Rent		\$15,545.00
Gasoline		\$ 8,000.00
Maintenance		\$ 5,887.00
		\$ 1,256.00

15. Based on the numbers in the chart above, what was the actual yearly expense for the vehicle budget?
16. What was the difference between the projected budget and the actual budget? _____
17. Was the difference a profit or a loss? _____
18. If the seed money for this business was \$150,000.00 and the vehicle budget was not to exceed 10% of the entire budget, was the actual expense over the budget or within budget? _____ by how much? _____

Budgeting Assessment – Answer Key

Match the business/marketing terms in the left column with their proper meaning on the right. Place the letter of each answer in the blank beside the term it defines.

1. F Seed money A. the act of spending funds
2. D Allocate B. amount paid above the original borrowed sum
3. C Contract C. legal document that outlines an agreement between
4. A Expenditure D. to distribute for a specific purpose
5. B Interest E. revenue from sales that exceeds the cost of the business
6. E Profit margin F. money used to initiate a project

True/False: Read each statement below carefully. Decide if it is a true statement or a false statement. Write TRUE or T / FALSE or F.

7. F When a business has operational money after paying monthly or yearly expenses, it is called being in the red.
8. T Establishing a financial plan for a specific period of time is called budgeting.
9. F When a business has more expenses than revenue, it is called being in the black.
10. F Vehicle, insurance, supplies, uniforms, and parking permits make up the basic categories of a food truck budget.
11. F A profit margin is when your sales surpass the original amount of seed money used to start the business.
12. T Each basic category of the budget will have additional subcategories that will have to be monitored for spending as well.
13. T A projected budget is an estimate of the amount your research indicates you will likely pay.
14. F A fiscal year is the financial year of a business that runs from January to December.

Vehicle Budget		Projected Budget
Rent		\$15,545.00
Gasoline		\$ 8,000.00
Maintenance		\$ 5,887.00
		\$ 1,256.00

15. Based on the numbers in the chart above, what was the actual yearly expense for the vehicle budget? \$15,143.00.
16. What was the difference between the projected budget and the actual budget? \$402.00
17. Was the difference a profit or a loss? profit
18. If the seed money for this business was \$150,000.00 and the vehicle budget was not to exceed 10% of the entire budget, was the actual expense over the budget or within budget? Over budget by how much? \$143.00

Lesson Three – Menu Development

Lesson Overview

This lesson will help establish the various parts of the menu. The menu serves to extend the branding to the public. A great menu will help a young business flourish and find its place within the community. In this lesson, we will explore the components needed to develop a delicious and budget-friendly menu.

Lesson Objectives

After completing this lesson, participants will be able to:

- Assess their knowledge of menu development.
- Identify the components involved in the pricing of menu items.
- Recognize the way that a menu may serve as another extension of the overall brand, and helps to fulfill the mission and vision of the business.

Lesson at a Glance

Activity	Materials	Preparation	Approximate class time
FOCUS	• Various sizes of food products (a minimum of 10)	1. Cut enough 4 ft. to 5 ft. long pieces of butcher paper to have one per learning group	30-45 minutes
LEARN	• <i>Understanding Menu Basics</i> • <i>Designing a Truck and Menu</i> • <i>Product Research Survey</i> • <i>Product Analysis</i> worksheet • <i>Marketing Vocabulary</i> • <i>Menu Development</i> slide presentation.	1. Print/photocopy each handout/worksheet for each participant for Activity 1 and Activity 2 of the lesson activities 2. For Activity 3, prepare the <i>Menu Development</i> slide presentation for viewing	180 minutes
REVIEW	• <i>Menu Assessment</i> • <i>Menu Assessment – Answer Key</i>	1. Print/photocopy the <i>Menu Assessment</i> for each student	30 minutes

Lesson Three – Menu Development

FOCUS: Introduction to Menu Planning

30-45 minutes

Purpose:

Participants will collaborate to determine food prices in order to assess their current level of knowledge.

Materials:

- A wide range of random food products (try to have ten for display) in varying sizes and packaging, i.e. a multi-pack of macaroni and cheese, a large bag of cereal, a name brand package of cookies, industrial-size can of beans, paper towels, etc.
- Different colored sets of tag-board or laminated colored copy paper, one for each group (each set will need ten pages with the actual prices of the products to be used)
- One teacher set of prices
- Optional: ten manila file folders to place beside each product
- Optional: stacks of small awards, i.e. pieces of candy, bonus coupons, etc.

Facilitation Steps:

1. Randomly divide students into groups of equal size (3-5 groups will work best).
2. Display the products at centers around the room.
3. Give one set of colored pages (with one price on each page) to the groups. Tell the groups that they will move around the room and decide the price of each item. They will select the correct price page and place it face down onto the table beside the product OR put inside a file folder. Groups should not be able to view price guesses by the other students. If preferred, set a timer to provide added pressure to the groups to make quicker decisions, increasing their chances to make more mistakes.
4. Once all groups have completed their guesses, move around and reveal the proper prices and award the students in the winning groups for each item.
5. After all the prices are revealed and students awarded, open a discussion with the students about their strategies for determining the prices. Did they base it on the size of the container? The number of servings? A random guess?
6. Explain that while you asked them to blindly guess the prices, a restaurant owner cannot do the same when determining menu prices. If he/she did so, the restaurant might lose customers or completely close. Tell students that tons of research goes into establishing the cost to make a food item and the price at which the item will be marked for sale.
7. As an added activity, you can assign each group a food item and ask them to figure out how much it would cost a restaurant to make one serving of it. Students should know to take the price of the item and divide by the number of servings.
8. Discuss with students how they believe a restaurant makes a profit based on the numbers they just determined. Students will likely suggest that the restaurant marks up the item. If so, ask if they know how much markup is normal for food.

Lesson Three – Menu Development

LEARN: Understanding the Basics of Menus

180 minutes

Purpose:

Participants will develop a basic understanding of menu development, pricing, and cost management. Furthermore, they will appreciate the way a menu works to provide continuity for the brand.

Materials:

Activity 1

- Handout-*Understanding the Basics of Menu Design*
- Worksheet-*Truck Design*
- Worksheet-*Lesson Three Vocabulary*
- PowerPoint-*Menu Development*

Activity 2

- Worksheet-*Menu Offerings*
- Worksheet-*Menu Analysis*

Activity 3

- Worksheet-*Menu Pricing and Food Cost*.

Facilitation Steps:

Activity 1

1. Provide the handouts and worksheets noted above for Activity 1 of the lesson.
2. As the students begin to review the *Understanding the Basic of Menu* handout, the instructor can use the Menu Development PowerPoint to reiterate certain concepts.

Slides 1-5 should be covered within Activity 1.

Slide 1: Introduction.

Slide 2: Review learning objectives.

Slide 3: Review essential questions.

Slide 4: Focus on the impact of branding and the menu.

Slide 5: Have students think about how the name chosen impacts customer expectations of the menu and food in general.

Continue discussing how branding helps to determine the menu and food selections.

3. After discussion, have students evaluate a branding strategy and decorate the exterior of a truck with food selections in mind.
4. As students encounter vocabulary words in bold, encourage them to define the words on the *Lesson Three Vocabulary* page.

*Feel free to carry over portions of the activities to subsequent days as needed. It is more important for students to understand concepts than to rush the activities.

Activity 2

1. Pass out *Menu Offerings* and *Menu Analysis* for the daily activities. Explain to students that the goal for the day is to decide some likely menu items that would work based on the name and brand of the food truck.

Slide 6: Signature Dish—A special and original recipe that identifies a chef or a restaurant; it is the equivalent of finding your personal style (usually just a few items on the menu).

Staple—Food items that the majority of people like.

Slide 7:

- Offer a maximum of 7-12 dishes
- Offer a couple of staple items that even picky eaters could order
- Select recipes that share similar ingredients
- Offer two sizes of entrées
- Vary the price point of food options

Remind the students that they will want to design a menu in which main ingredients can be shared in order to reduce waste.

2. Participants will complete their food wheel, paying close attention to the requirements. Afterward, they will analyze their food

selections by answering the questions on the analysis worksheet. Encourage students to make adjustments to their food wheel if they detect problems while answering the questions.

3. If time permits, as a supplemental yet creative activity, have students use a menu template to list their entrées and write tantalizing descriptions. Many templates options are available on the internet.

Activity 3

1. Show the remainder of slides to begin discussions about calculating food cost and setting menu prices. The goal here is to ensure that students learn that many factors affect food costs, which in turn affect the prices that a restaurant owner would place on the menu.
2. Pass out the *Menu Pricing and Food Cost* worksheet. Explain that a possible menu item has been pulled about to show the main elements that go into preparing the entrée for a customer. Basic research beside each item shows a general cost to purchase it in bulk.
3. Students will use the bulk cost of each element to figure out the cost of one item. Explain that once they figured out each element's cost, they will then add all the amounts to see what the minimal expense to make one hamburger is.

Tell students that to make a profit from menu items, they will need to divide the minimal cost by 30% (the average markup).

*It is important to note that this is a very basic method for establishing the item prices on a menu. There are other formulas that can be considered as well.

Video: "Catering to Kids Cause Increase Your Food Truck Revenue"

<https://youtu.be/5MMX8eiDlI8>

Name: _____ Class: _____

Understanding the Menu Basics

Let's recall the first lesson in marketing. We learned about the 4Ps. Now, we are going to put much of that information to work for us as we learn how to build a menu. Believe it or not, discussions about budgeting and branding connect to the most important element of a food truck—the food!

(Promotion) Branding—We learned that our brand is constructed by establishing what is most important to us. Much of the branding comes through the mission statement and the vision statement, but customers often don't see those elements of your business. What customers do see (and taste) is the food. Your food needs to match your brand. Look at the titles of some possible food trucks below. See if you can match them to the proper food they serve:

- | | |
|-------------------------------|----------------------------------|
| 1. ____ Four Italian Guys | A. pancakes, egg sandwiches |
| 2. ____ Hammin' It Up! | B. egg rolls, sushi, fried rice |
| 3. ____ The Creative Creamery | C. tacos, burritos, salsa |
| 4. ____ Smokin' Joes | D. deli sandwiches and wraps |
| 5. ____ The Breakfast Bus | E. pizza, spaghetti, calzones |
| 6. ____ Holy Guacamole | F. pies, cupcakes, ice cream |
| 7. ____ Jumpin' Jap Flash | G. barbecue, ribs, grilled meats |

The name you choose for your truck should clearly reflect your “brand” to the customers. Potential customers should not have to guess what kind of food you might serve. Good branding means that the public will be able to tell what kind of food to expect. Simply put, customers don't want to be confused. If they can't figure out your product, they will move on to some other business.

(Product) Food—Every truck should have a **signature dish**. This is a recipe that helps identify your food truck among the masses. For example, Smokin' Joes might have a special sauce they use when preparing their ribs that makes the dish stand out from all other barbecue-based trucks. Another option is to develop a completely new recipe. Burgers and fries make up a main **staple** of many trucks, so how would you make your burger and fries special? Add a unique topping? Make the meat patties with a different combination of proteins?

Surveys like the one used in Lesson One will help you with the process of selecting food. If you received a large number of positive responses to a potential food item, you may have struck gold. However, if you didn't get a good response, you can try something else before wasting money on a product that won't sell. Another option may be to continue working on that menu item but find something else to serve as the signature dish for the time being.

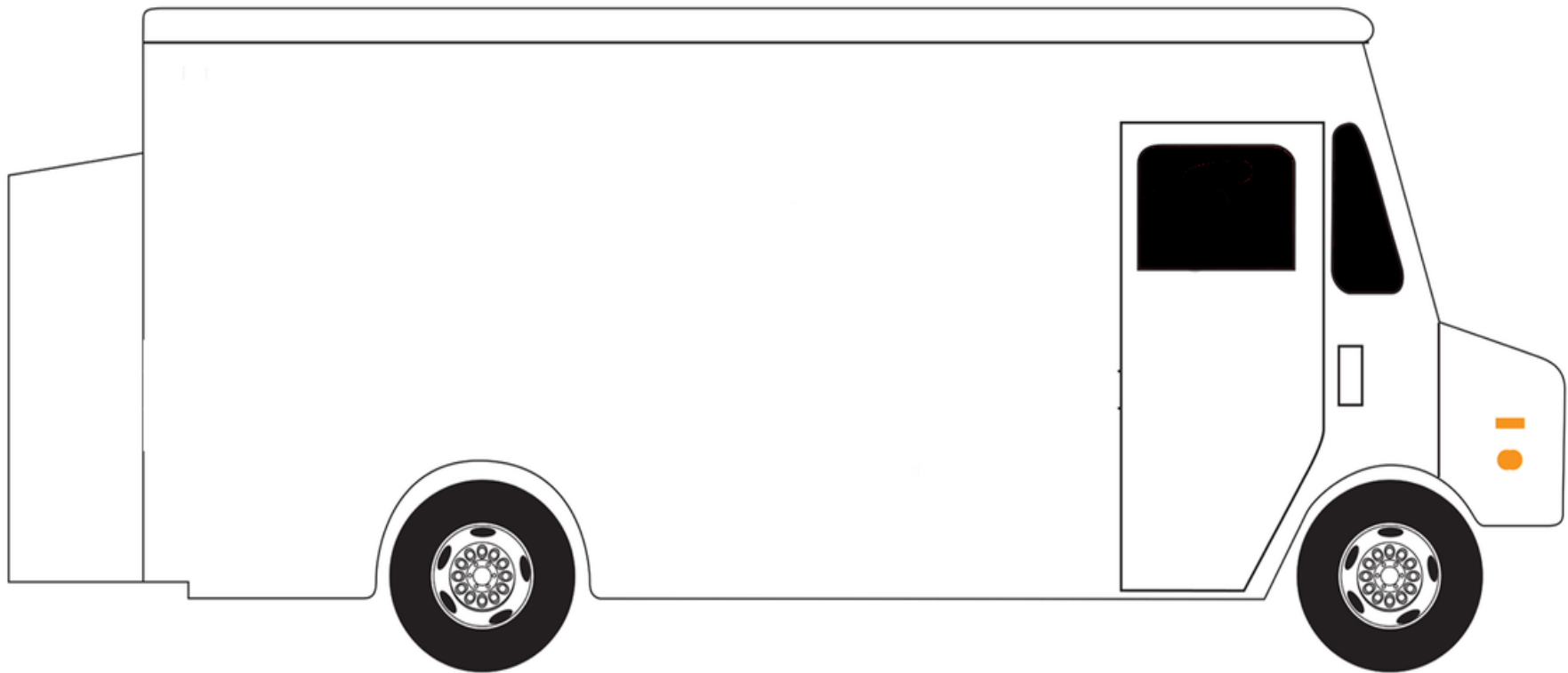
(Price) Budgeting—An important key to the budget is to understand that food prices **fluctuate**. Changes in the pricing occur for many reasons: seasonal foods, good or bad growing seasons, **supply and demand**, etc. The best way to keep your food prices low is to use similar items in multiple dishes so that you have less to store and less that could possibly spoil. For example, if you

have two or three items on your menu that require turkey meat, then you will likely not have turkey lingering too long in the cooler and taking the risk of having to be thrown out. Managing your waste will ultimately help your **profit margin**. It might seem “boring” to offer several dishes with like items, but when it comes to the limited space of a food truck, the old saying “quality over quantity” holds true. It is better to do a few items really well than to try and serve dozens of ho-hum meals. Most food trucks limit their menu offerings between 6-12 options. Don’t forget that your survey from Lesson One will also help you here. It is important for a food truck operator to have a firm knowledge of how much money people are willing and able to pay for meals in your area. **Markup** is another element of the pricing strategy. You have to know how much it costs to make a particular meal. Then, the food truck operator aims to have between 30% to 40% markup.

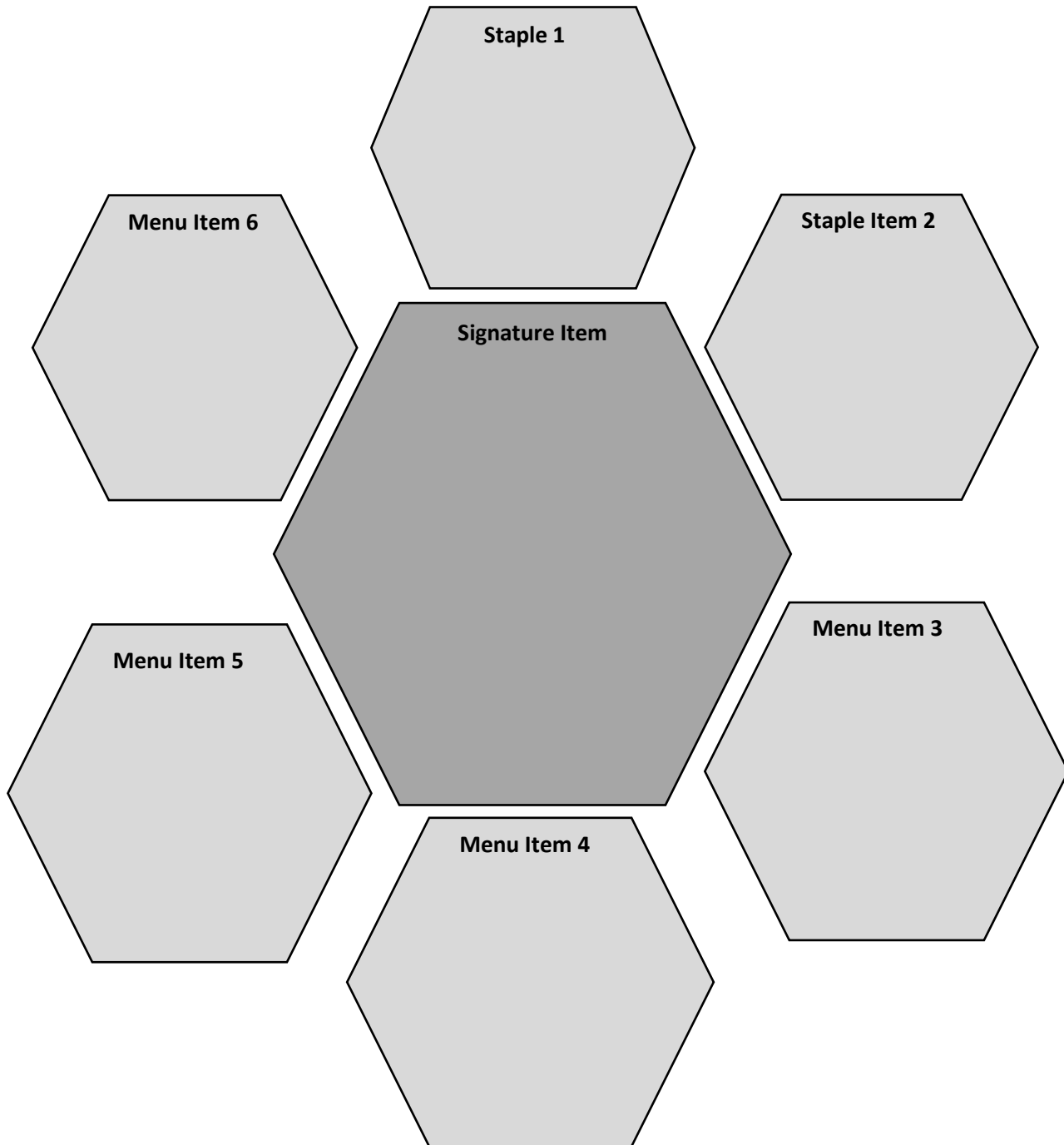
(Place) Menu Offerings—You may be wondering just exactly how the location of a food truck affects a menu. What if you opened the Hamming It Up! truck only to discover that four other trucks within a one-mile radius also sell deli sandwiches? The location has become too **saturated** for this particular product. You would be better off selling a different product than to risk competition with too many similar products. Knowing the willingness to pay (WTP) of the area where you want to work will help you decide if you should continue with your original menu plan, change the menu, or move to another area all together.

Food Truck Development & Design Curriculum

Use the blank template of a food truck below to design your brand. Include a business name and an appealing look/logo on the truck. Remember that a great first impression could make the difference between gaining new customers and losing them.



Complete the diagram below with potential menu ideas that best match your food truck brand. You will need one (1) signature item, two (2) staple items/comfort foods, and four (4) additional items that may share similar ingredients.



Name: _____ Class: _____

Menu Analysis

Refer back to your food wheel as you answer the questions below.

1. What makes your signature item a unique element of your overall brand?

2. Explain your reasoning for selecting the staple foods that you did.

3. How do your remaining menu items carry out your brand?

4. What main ingredients do the menu selections share that will help you keep the cost down?

5. Decide on the prices you believe to be fair for each menu offering:

- a. Signature Item-- _____
- b. Staple Item 1-- _____
- c. Staple Item 2-- _____
- d. Menu Item 3-- _____
- e. Menu Item 4-- _____
- f. Menu Item 5-- _____
- g. Menu Item 6-- _____

6. At this point, your menu pricing is guesswork. Name two or three aspects of the food business that will affect the overall price eventually placed on each dish.

Name: _____ Class: _____

Menu Pricing 101

A food truck establishment typically aims to have a markup between 30-40% for each meal they serve. To know how to price your items, you have to consider the cost of individual ingredients, the cost of consumables, and the cost of labor. Look at the break down of the menu item below.

Hickory Smoked hamburger basket w/fries ...\$7.99

Hamburger buns—1 case/96 buns = \$45.00

Cost per meal: _____

Hamburger—5 lbs./will feed 15 people = \$34.00

Cost per meal: _____

French Fries—30 lb./feeds 60 = \$28.00

Cost per meal: _____

Produce—50 lbs./feeds 200 = \$100.00

Cost per meal: _____

Labor--\$10.00/hr./feed 30 people = \$10.00

Cost per meal: _____

Paper food liners—1 case/500 pieces = \$65.00

Cost per meal: _____

Take-out box—1 case/200 = \$98.00

Cost per meal: _____

Add

Total Cost: _____

(Divide by) _____ .30

Min. Menu Price: _____

Please note some consumable items are not considered in the example. For instance, oil to cook the fries, seasonings/ingredients used in the meat, propane to cook, etc. are not accounted for above. A food truck operator will know each of these numbers to get the most accurate cost possible.

Let's Evaluate

- Does the price listed for the hamburger fall within the minimum menu price you calculated? _____
What is the price difference? _____
- Consider the possibility that another area food vendor sells a burger for \$2.00 less than you. What are your options to compete for customers?

- What strategy would you choose? Why?

Name: _____ Class: _____

Menu Vocabulary

Directions: Define each of the terms below as you encounter them in the lesson activities.

1. Bulk:
2. Entrée:
3. Fluctuate:
4. Staple:
5. Signature dish:
6. Willingness to pay (WTP):
7. Profit margin:
8. Markup:
9. Retail:
10. Saturation:
11. Supply and demand:
12. Wholesale:

Lesson Three – Menu Development

REVIEW: Menu Assessment

30 minutes

Purpose:

Assess participants' understanding of menu development, pricing, and cost management.

Materials:

- *Menu Assessment*
- *Menu Assessment* – Answer Key

Facilitation Steps:

1. Hand out the *Menu Assessment* sheet and give participants approximately 15 minutes to complete it.
2. Once participants have all completed the assessment, either have them hand it in to be graded or review it as a class.

Name: _____ Class: _____

Menu Assessment

Match the terms in the left column with their proper meaning on the right. Place the letter of each answer in the blank beside the term it defines.

- | | |
|----------------------------|--|
| 1. _____ Saturation | A. the sale of goods for profit |
| 2. _____ Supply and demand | B. the sale of goods in large quantities at a cheaper price |
| 3. _____ Bulk | C. when the availability of a product outgrows demand |
| 4. _____ Wholesale | D. the relationship between availability and the desire/need |
| 5. _____ Retail | E. sale of large quantities to be re-sold by others |

Fill in the Blank: Select the proper term from the word bank to complete the meaning of each sentence.

- A food item that is unique to a specific restaurant or chef is called a _____ item.
- A menu should have one or two _____ items for picky eaters.
- A food truck has minimal _____ space and therefore cannot have a large menu.
- The amount of money that exceeds the cost of making the item is called the _____.
- When pricing of an item increases or decreases due to changes in the market, it is called _____.

Fluctuation
Profit margin
Storage
Staple
Signature
Markup
Entrée

Short Answer: Read each question below and answer in your own words, with complete sentences.

11. Explain what issues can affect food costs for restaurant purchasing.

12. Explain how a food truck owner can get a basic idea of how to price items on his/her menu.

13. Discuss how menu development fits into the branding process of a food truck.

Menu Assessment – Answer Key

Directions--Match the terms in the left column with their proper meaning on the right. Place the letter of each answer in the blank beside the term it defines.

- | | |
|-------------------------------|--|
| 1. <u>C</u> Saturation | A. the sale of goods for profit |
| 2. <u>D</u> Supply and demand | B. the sale of goods in large quantities at a cheaper price |
| 3. <u>B</u> Bulk | C. when the availability of a product outgrows demand |
| 4. <u>E</u> Wholesale | D. the relationship between availability and the desire/need |
| 5. <u>A</u> Retail | E. sale of large quantities to be re-sold by others |

Fill in the Blank—Select the proper term from the word bank to complete the meaning of each sentence.

6. A food item that is unique to a specific restaurant or chef is called a signature item.
7. A menu should have one or two staple items for picky eaters.
8. A food truck has minimal storage space and therefore cannot have a large menu.
9. The amount of money that exceeds the cost of making the item is called the mark-up.
10. When pricing of an item increases or decreases due to changes in the market, it is called fluctuation.

Fluctuation
Profit margin
Storage
Staple
Signature
Mark-up
Entrée

Short Answer: Read each question below and answer in your own words, with complete sentences.

11. Explain what issues can affect food costs for restaurant purchasing. Factors that affect food costs include: availability, cost of fuel to deliver, and adequate supplies.
12. Explain how a food truck owner can get a basic idea of how to price items on his/her menu.
An owner can figure the cost of the separate food items that make up an entrée. Then, add those costs together and divide the sum by .30. This will give a ballpark range of the price that should go on the menu.
13. Discuss how menu development fits into the branding process of a food truck.
The menu should echo the brand. Ex. If the branding includes a western theme, the menu should include western types of foods like barbecue. The customer should be able to tell by the brand what type of food to expect.

Lesson Four – Interior Food Truck Design

Lesson Overview

In this lesson, we will explore the factors that greatly affect the layout and design of a food truck's workspace. Students will learn that the design is less about aesthetics and more about function and safety. Students will have a hands-on element in this lesson as they learn to fit together all the pieces of the design puzzle.

Lesson Objectives

After completing this lesson, participants will be able to:

- Assess current food truck decisions and understand how those decisions affect design layout
- Identify the necessary appliance components for various types of trucks
- Understand the multi-step process for designing the interior of a food truck

Lesson at a Glance

Activity	Materials	Preparation	Approximate class time
FOCUS	• Colored butcher paper cut into approx. sizes and shapes to represent kitchen design elements • Large-tipped markers • Masking tape • YouTube video <i>What is Like Inside a Working Food Truck?</i> • YouTube video <i>Tour an NSF Certified Food Truck</i>	1. Using masking tape, layout on the classroom floor a 14 ft. x 90 in. box to represent the small variation of a food truck 2. Give a few students paper patterns to represent aspects of a truck kitchen—refrigerator, counter space, three-compartment sink, stovetop, drink machine, etc. 3. Ask students one at a time to approach the truck layout and place their component where they believe it should go. Allow them to move other pieces if necessary (make a note of how many times elements get moved around)	30-45 minutes
LEARN	• Scissors, masking tape, butcher paper patterns from Focus Activity • Scaled Tile sets • <i>Introduction to Food Truck Design</i>, handout • <i>Food Trucks and Interior Design</i> slide presentation • <i>Food Truck Design-Vocabulary</i>, handout	1. Print/photocopy each handout/worksheet for each participant for Activity 1 of the lesson 2. Prepare <i>Food Trucks and Interior Design</i> slide presentation to view during Activity 1 3. Have colored butcher paper available for students to trace and cut patterns for their truck layout	180 minutes
REVIEW	• <i>Food Truck Design Assessment</i> • <i>Food Truck Design Assessment – Answer Key</i>	1. Print/photocopy <i>Food Truck Design Assessment</i> for each student	30 minutes

Lesson Four – Interior Food Truck Design

FOCUS: Introduction to Food Truck Design

30-45 minutes

Purpose:

Participants will collaborate on what they believe to be the best layout of a food truck kitchen. As they become acquainted to design needs, participants will learn to adapt their layout plans.

Materials:

- Masking tape (or painter's tape)
- One set of butcher paper patterns (cut to scale) to represent a refrigerator, counter/prep space, three compartment sink, stove top, oven, cabinet storage, etc.

Facilitation Steps:

1. On the classroom floor (or where space is available) use masking tape to lay out a 14ft. x 90in. food trailer space.
2. Select students to participate by giving them one butcher paper pattern to place in the truck space. The goal is to decide the best placement for that particular appliance/component in the truck. As students approach the layout, tell them that they may move another element if they think it necessary.
3. After all the pieces are placed, ask students to determine any problems with the layout. This could be done in pairs so that students have someone to bounce ideas off of.
4. Once students have an opportunity to consider the layout, ask them to share their observations.
5. The goal is for students to understand that the layout of a food truck has many factors, and that proper design will be like solving a puzzle.

6. Show the following YouTube video for students to get acquainted with the preliminary layout: <https://youtu.be/4MZc-oMr4I4>

Lesson Four – Interior Food Truck Design

LEARN: Understanding Food Truck Design

180 minutes

Purpose:

The students will become acquainted with the various components of a food truck workspace as well as evaluate what components are necessary and which ones are optional based on the type of truck they plan to open.

Materials:

Activity 1

- Handout-*Understanding Food Truck Design*
- Power Point-*Food Trucks and Interior Design*
- Handout- *Food Truck Design-Vocabulary*

Activity 2

- Food Truck Design Kit
- Scissors, masking tape, butcher paper patterns, and butcher paper

Facilitation Steps:

1. Provide the handouts notes above for **Activity 1**. Prepare Power Point for viewing.

Slide 1: Introduction

Slides 2-3 review Lesson Objectives and Essential Questions.

2. Using the *Understanding Food Truck Design* handout, begin to review the information. Use the scenario in the reading to help students realize the hazards of a poorly designed kitchen space as well as the challenges they will encounter in a small workspace like in a food truck.
3. **Slide 4:** Explain the four basic sizes of food trucks (factory-made). Allow students to suggest the types of foods that might be served from the smallest truck versus the largest truck.
4. **Slide 5:** Explain to students the factors involved in selecting the proper truck size. Let the students suggest pros and cons of the various sizes of trucks. Review the section on the handout under Workspace Numbers.

5. **Slide 6 & 7:** Discuss with students five important areas that they must consider during laying out their food truck kitchen. Refer to the handout for full definitions and details about each area.

***As time permits, students should be filling in the *Food Truck Design Vocabulary* worksheet. They will encounter several terms from the list during each activity.**

6. For **Activity 2**, have food truck teams regroup and provide a Food Truck Design Kit set to each team. Each team will use the kit to design the interior of their food trucks.

How to Use the Food Truck Design Kit:

- a. Divide the class into 5 small groups or give individual kits to 5 participants.
 - b. Each small group or individual should have a dry erase marker, microfiber cloth, design board, photo key card, and set of scaled tiles.
 - c. ½” on the planning board = 1 foot.
 - d. Participants should use the information gathered and best practices learned to lay out the optimal food truck interior design.
 - e. The dry erase markers can be used to add additional details to the interior, such as specific appliances, food prep/storage, or other details.
 - f. When participants have completed designing their room, instructors may have each group or individual present their design, explaining their rationale behind it.
 - g. If desired, instructors can have participants transfer their design onto graph paper for a grade, or take a photo and email it to the instructor. Or see step 7.
7. Once each team is satisfied with the layout, they will then construct a life-size replica of the diagram. Students will use masking tape to

outline a food truck on the floor (similar to the Focus Activity).

Students should utilize the instructor's master patterns for the various components they place in the workspace. They will trace, cut out, label, and put the components into place. If an individual or team need specialty components they will have to research measurements and drawn them separately. The goal is for teams to see if their planned design will truly work once it mimics the actual size of the workspace with employees doing their daily tasks.

Show the following video to prepare for the final step in the replication process: *"What is it Like Inside a Working Food Truck?"*

<https://youtu.be/SzCi0QIOkzY>

8. After all groups are finished making their life-size mock-up of their food truck, teams will take turns pantomiming taking orders and preparing the food. Other teams will watch the individual demonstrations. Students will analyze the effectiveness of each group's truck design. They will complete critique forms and turn them in to the teacher for review.

***The instructor may prefer to do steps 8 & 9 in a separate class period to give teams ample opportunity to prepare. Feel free to adjust according to the allotted time for each class.**

Understanding Food Truck Design

You have developed a top-notch brand. You have designed a dynamic menu. Your truck is looking good. What now? Well, it is time to put the most important part of the food truck puzzle together. When we say “puzzle,” we do mean a puzzle! All your hard work hinges on your ability to design the interior portion of your truck so that it is conducive for preparing food in an efficient manner. The configuration of all the equipment inside the truck is called the **layout**.

If you have ever cooked with a friend in a small kitchen, you know some of the challenges. You open the refrigerator and the path to the oven gets blocked. You stand at the sink and no one can reach the overhead storage cabinet. One wrong move and both of you might wind up in a tangle on the floor!

Owning a food truck means streamlining the placement of all your kitchen appliances and gadgets so that you and potential employees can prepare food without injuring each other.

Workspace Numbers:

Food trucks come in standard sizes meaning that they are built for a specific amount of workspace. If you want something larger or smaller, you may have to consider a custom build. Custom-building a food truck will require more money. If a truck built to a unique specification has been your dream, you might consider starting small and doing a custom build once your business has become stable.

For now, you should be aware that food trucks usually come in four basic sizes: 14 ft., 16 ft., 18 ft., and 20 ft.

The food you plan to serve will affect the size of the truck you need. The place(s) where you expect to serve your food will also determine the size of truck you need.

What kind of restaurant would work well in the smaller 14 ft. trailer?

Where might you expect to see the larger 20ft. trailer?

Each of the various sizes of a food truck has its pros and cons. What are the pros of a smaller truck versus one of the larger ones? Parking availability will be much easier on a smaller truck, and maneuvering in and out of tight spaces is quicker in a small vehicle. What are the pros of a larger truck?

Another factor in determining the size of your food truck is knowing the number of employees that you will need on hand to prepare the food. Once again, the food affects these numbers as well. A food truck that specializes in fruit smoothies and coffee drinks likely only needs a couple of employees. However, a truck that serves a fancy signature dish might need more hands on deck to get the food out the window while it is hot and fresh.

Four of the important design elements to keep in mind when designing your interior space are:

The Golden Triangle: This is the optimal workspace configuration for a kitchen layout. The three most frequent areas of use—the stove, refrigerator, and sink—should form a triangular path that is not interrupted by traffic flow.

Ventilation: This is the system that helps provide safety and clean air to workers while working in confined areas. The ventilation system includes a vent hood, hood filters, duct work, exhaust fans, and grease filters. If any of these are missing you could have a fire hazard or a problem with air quality, which affects employees.

Sanitation: This includes safe handling of food and proper food storage at appropriate temperatures. Sanitation affects how and where prepping counters are placed in the truck, the size of refrigerators, and even your sink requirements.

Storage: How and where food gets stored is important. Getting the most storage out of a limited place means accessing the vertical areas for consumables like food wraps, cups, boxes, and utensils. At the same time, health departments have restrictions on the storage of raw foods, chemicals, etc. in relation to other supplies.

Compliance: Meeting requirements for local and state health codes is part of operating any food establishment. If, during a health inspection, a restaurant is deemed out of compliance, they will be given a specific time frame to fix the problem. Problems left unresolved will cause the health department to **shutter** the business.

Name: _____ Class: _____

Workspace Critique Form

Group 1

Name of Truck: _____

Team Members: _____

Design Strengths	Design Weaknesses

Additional Notes: _____

Group 2

Name of Truck: _____

Team Members: _____

Design Strengths	Design Weaknesses

Additional Notes: _____

Group 3

Name of Truck: _____

Team Members: _____

Design Strengths	Design Weaknesses
-------------------------	--------------------------

Additional Notes: _____

Group 4

Name of Truck: _____

Team Members: _____

Design Strengths	Design Weaknesses
-------------------------	--------------------------

Additional Notes: _____

Name: _____ Class: _____

Interior Design Vocabulary

Directions: Define each of the terms below as you encounter them in the lesson activities.

1. Layout:
2. Golden triangle:
3. Prep station:
4. Sanitation:
5. Ventilation:
6. Compliance:
7. Health codes:
8. Storage:
9. Gray water:
10. Black water:
11. Shutter:

Lesson Four – Interior Food Truck Design

REVIEW: Design Assessment

30 minutes

Purpose:

Assess participants' understanding of a food truck workspace and design.

Materials:

- *Design Assessment*
- *Design Assessment* – Answer Key

Facilitation Steps:

1. Hand out the *Design Assessment* and give participants approximately 15 minutes to complete it.
2. Once participants have completed the assessment, either have them hand it in to be graded or review it as a class.

Name: _____ Class: _____

Design Assessment

Match the terms in the left column with their proper meaning on the right. Place the letter of each answer in the blank beside the term it defines.

- | | |
|----------------------|---|
| 1. ____ Ventilation | A. system for maintaining cleanliness of a facility |
| 2. ____ Sanitation | B. the ability to adhere to local and state laws |
| 3. ____ Compliance | C. the design arrangement of a space |
| 4. ____ Layout | D. system for providing clean air to a workspace |
| 5. ____ Prep station | E. the area used for cutting, chopping food to cook |

Using complete sentences, answer each of the questions below.

6. Explain the concept of the “golden triangle” and its importance.

7. What is the difference between gray water and black water? Why must you know the difference?

8. What are health codes and what connection do they have to shuttering?

9. What are the four standard sizes of food truck/trailers? Discuss the pros and cons of having smaller trucks vs. larger trucks.

10. Discuss the type of food truck business you would prefer to have (food/size of truck/market) and explain your reasoning.

Design Assessment – Answer Key

Match the terms in the left column with their proper meaning on the right. Place the letter of each answer in the blank beside the term it defines.

- | | |
|--------------------------|---|
| 1. <u>D</u> Ventilation | A. system for maintaining cleanliness of a facility |
| 2. <u>A</u> Sanitation | B. the ability to adhere to local and state laws |
| 3. <u>B</u> Compliance | C. the design arrangement of a space |
| 4. <u>C</u> Layout | D. system for providing clean air to a workspace |
| 5. <u>E</u> Prep station | E. area used for cutting, chopping food to cook |

Using complete sentences, answer each of the questions below.

6. Explain the concept of the “golden triangle” and its importance. **The golden triangle is the kitchen configuration between the stove, sink, and refrigerator. It is important because it makes your work time more efficient.**
7. What is the difference between gray water and black water? Why must you know the difference?
Gray water is the water left from washing dishes. Black water is water used in removal of human waste. A food truck owner must know the difference because they have to be disposed of differently according to health codes.
8. What are health codes and what connection do they have to shuttering?
Health codes are the laws and regulations that food establishments much follow for food safety. If they identify a problem during an inspection and it is not corrected, the health dept. can close (shutter) the business.
9. What are the four standard sizes of food truck/trailers? Discuss the pros and cons of having smaller trucks vs. larger trucks.
Food trucks come in 14 ft., 16 ft., 18ft., and 20 ft. standard sizes. The pros of a smaller truck are that they are easier to park and maneuver in and out of places, but they have limited storage and are not good to use for trying to serve large crowds or complicated foods. A larger trailer is difficult to park and maneuver and can be off limits in certain areas. They have more storage and good for larger crowds and larger entrées.
10. Discuss the type of food truck business you would prefer to have (food/size of truck/market) and explain your reasoning.
Answers will vary.

Lesson Five – Business Plan Know-How

Lesson Overview

In this lesson, we will explore the concept of business plans, including their purpose, benefit, and structure. Students will consider the role of a business plan in successfully developing any new start-up entity. Previous lessons will be reviewed as to the way the information should be utilized in a standard business plan model.

Lesson Objectives

After completing this lesson, participants will be able to:

- Assess their knowledge of food design and development
- Identify the components necessary to write a successful business plan
- Understand the role of a business plan in the development of a strong and cohesive design model

Lesson at a Glance

Activity	Materials	Preparation	Approximate class time
FOCUS	• A print-out of a city map for each group or a projection of the map that all students can see simultaneously • A set of 3-5 questions for navigating to various points on the map.	1. Locate any close-up city-styled map such as the one found at the link below https://www.enchantedlearning.com/geography/mapreading/city/	45 minutes
LEARN Activity 1 Activity 2	• <i>Understanding the Business Plan</i> handout • <i>Business Plan Know-How</i> slide presentation • Executive Summary Video* • Company Profile Video* • Marketing Structure Video* • <i>Business Plan Vocabulary</i> worksheet • <i>Business Operations</i> handout • Business Operations Video* • Business Operations Templates* (supplemental activity) • Financial Plan Template* *Video and Template Links, in lesson.	1. Print/photocopy each handout/worksheet for each participant for Activity 1 and Activity 2 of the lesson activities 2. Prepare each video for viewing; bookmark each link to get to them quickly, if necessary 3. Bookmark each template website for easy access 4. Prepare the <i>Business Plan Know-How</i> slide presentation for viewing	90-120 minutes
REVIEW	• <i>Business Plan Assessment</i> • <i>Business Plan Assessment – Answer Key</i>	1. Print/photocopy the <i>Business Plan Assessment</i> for each student	30 minutes

Lesson Five – Business Plan Know-How

FOCUS: Introduction to Business Plans

45 minutes

Purpose:

Participants will discover that business plans operate similarly to a map for navigating quickly and safely from point A to point B.

Materials:

- Print-out of an easy-to-read city street map (one for each group OR a projection of the map that all students can view simultaneously)
- Set of 3-5 pre-determined questions that student groups will use as a starting point for moving about the map

Facilitation Steps:

1. Randomly divide students into groups of equal size. This activity would work well with pairs so that few students are sitting idly and observing rather than participating. You also want the potential of many different answers.
2. Pass out copies of the map or call students' attention to a large classroom projection of the map.
3. Provide the groups with one question/scenario at a time. Tell them that they will be working within their group to decide the best route to take to arrive at the destination. Example: You just completed a jog at River Park; You have several errands to do. You need to mail a large box of business flyers at the post office. Decide what route you will take to get to the Post Office.
4. Have groups write down step-by-step directions for each scenario. They should be able to note if they are moving north, south, east, or west; what street(s) they are using, and when to turn. For an additional challenge, ask them to

estimate the length of time it will likely take them to complete the travel, or ask if they see any possible problems along the route.

5. Continue step 3 until students have completed each of the pre-determined scenarios. Three questions/scenarios should be enough, but feel free to put "problems" along the routes, such as road construction, a traffic jam, a burst water line, etc. Announce these issues randomly AFTER students have begun to plan their routes. If using a projected map, place a red dot on the map to indicate each problem.
6. Have a student group share the route they chose for Scenario #1. After making note of their plan, ask for a group with a different route to share. Have the class decide if one route was a better choice than the another. Allow for a few minutes of discussion.
7. Proceed with step 5 until all scenarios have been reviewed and discussed.
8. Explain to students that a map's purpose is to help you find your way from point A to point B. It can also help you navigate when problems arise or if you need to find a different route. Students might try to point out that they prefer to use a GPS. Explain that GPS has its place, but you actually learn things using a map that you might not have the opportunity to by just following a predetermined route.

Explain that a business plan has a similar purpose. It helps a person who is starting a business to make important decisions about the business they want to develop. It also helps to highlight potential problems along the way. A business plan is a road map for the business.

Lesson Five – Business Plan Know-How

LEARN: Components of a Business Plan

90-120 minutes

Purpose:

Participants will develop an understanding of the various components involved in developing a business plan and the purpose for those components.

Materials:

Activity 1

- *Understanding the Business Plan* handout
- *Business Plan Know-How* slide presentation
- Executive Summary Video
<https://youtu.be/BCnjfTN97Z8>

Activity 2

- Company Profile Video
<https://youtu.be/TrBRfKvLQhY>
- Marketing Structure/Marketing Video
<https://youtu.be/N3XX1QekLc4>
- *Business Plan Vocabulary* worksheet

Activity 3

- *Business Operations* handout
- Business Operations Video
<https://youtu.be/0Jd34WCmBMM>
- *Business Operations* worksheet
<https://grasshopper.com/academy/developing-a-business-plan/operations-plan/>
- Financial Plan Template
<https://docs.template.net/plan/editor/8830?activityId=134322>

Facilitation Steps:

1. Provide students with the handouts/notes page and vocabulary page listed above for **Activity 1** of the lesson.
2. Using the *Understanding the Business Plan* handout, go over the basic information of a business plan in the reading. As time permits, students should be filling in the *Business Plan Vocabulary* worksheet as you review terms from the reading.

3. Use the *Business Plan Know-How* slide presentation to further review the components of a business plan.

Slides 1: Introduction.

Slide 2-3: Go over Learning Objectives and Essential Questions.

Slide 4-5: Define the business plan and review its purpose.

Slide 6-7: Go over each of the sections usually found in a formal business plan. Again, remind students that not every template will have all the exact same sections and that, in some cases, closely related sections may even be combined. There is no standard order for each section of the plan with the exception of the Executive Summary—it is ALWAYS at the beginning of the plan.

4. Prepare students to watch several short videos and take notes regarding the various steps involved in writing each section (Executive Summary, Company Profile, Marketing Structure/Marketing).

***Do not rush through Activity 1. If necessary, save the Company Profile and Marketing Structure videos for Activity 2. Students should spend extra time, if possible, learning about the Executive Summary. This section is the “first impression” of the entire business plan.**

5. For **Activity 2**, either print out or project on an interactive board the Financial Plan template located at the link above. Explain to the students that the Financial Structure of the Business Plan usually covers several years into the future. Students should notice that some of the information they collected in earlier lessons would be used to complete a financial plan.
6. Provide students with a copy of the Business Operations Handout. The diagram shows various topics covered in the Operations section. Tell students that this section of the

business plan will likely be one of the largest. It includes all the physical needs required to operate the business on a daily basis. The extra effort an owner puts in here will be worth it because an owner wants potential investors to see that he/she knows what it will take to keep the business running smoothly. Open discussions with the students to see if they understand that each area listed in the funnel has multiple layers. For example, employee information will include the number of workers, the hours necessary for them to keep the business open, the pay scale of the employees etc. All this information affects the bottom line.

***As time permits, show students the Business Operations Worksheet at the link above. If possible, business teams from earlier lessons could complete a copy of the worksheet to reflect their imaginary food truck business.**

7. Briefly address the socioeconomic structure of a business plan. Point out that while it is a good section to include, start-ups rarely have the means to give monetarily to the community in the early days of the company. For the time being, it is good to note any IDEAS you may have for improving the local community, such as only using 100% recycled paper goods or earmarking a percentage of sales to go to a local non-profit. The point here is that a business owner demonstrates that receiving a loan to start the business will ultimately help the entire community, not just the business itself.

Name: _____ Class: _____

Understanding the Business Plan

You may be wondering, “If I have done all the previous steps—deciding a menu, laying out my truck, and figuring out the financing—why do I need a business plan?”

Depending on who you ask, you may receive many different answers. So, let’s look at some basics.

The purpose of a **business plan** is to serve as a pathway from point A to point B. It records everything the owner has done so far and documents steps still to take. A business plan can help a want-to-be entrepreneur figure out all the details that he/she will need to address throughout the process. A business plan has many parts to it since it is essentially the explanation of the business. A good business plan will help a business owner to determine the business’ **sustainability**. The percentage rate of failure hovers around 30% for all new businesses closing within two years. For that reason, understanding your business sustainability is necessary.

It is important to understand that the benefit of the business plan is primarily for the owner/manager of the business. The plan should be updated and edited as needed—this may be on a yearly basis, but could be done monthly or quarterly (especially in the early stages). Any document that is used as a guide but gets edited along the way is referred to as a **working document**.

If you will be seeking funding for your business from a bank or individual investors, you will want to show them some type of plan that proves you have truly thought through the business process. Rarely will you find someone willing to invest in a businessperson who doesn’t understand the **bottom line**: the financial needs of the business they plan to develop.

Depending on the amount of money you are asking to borrow and the type of investor, you may be asked to submit a business plan or a **pitch deck**. While a business plan does summarize your overall business, a pitch deck is an even briefer summary, usually done in a presentation format like PowerPoint, Prezi or Keynote. If you are asked to provide a quick thirty-minute overview of your Food Truck dream, a pitch deck will be the best option. However, if someone wants to study your thought process, maybe in hopes of becoming a business partner, then a business plan is the better choice.

When establishing the format for your business plan, you can find virtually hundreds of **template** styles on the internet. A template is a ready-made guide that allows you to simply insert information. The formatting has been done for you. Not every template will work for every type of business. Some business plans can be the size a book with 80-100 pages of detailed information. In the case of a food truck business, you will not likely select a format so complex. A food truck with minimal food options, minimal employees, and less overhead cost should benefit from a much briefer business plan, probably 30 pages or less.

Some sections of a business plan serve as **best practices**. This means that you are briefly sharing what you will do as a business owner to maintain quality of your product. Most industries have established the best practices for their business situation that successful owners adhere to in their day-to-day operations. Best practices are not the same as regulated areas of operation.

Other portions of a business plan include **milestones** for the development of the business. Milestones are the step-by-step markers the owner works to achieve in order to get the business

up and running in a specific time frame. For example, an owner may set a milestone of three months for securing the funding for the business. After the three-month deadline, he/she can decide if the original time allotment for opening the business is still feasible or if more time will be required. Obviously, if the owner still lacks funds, he/she will need more time.

Still, other sections of the business plan serve as a means of **forecasting**. Forecasting is the act of looking over current trends within the business and making an educated guess as to how the business will grow in different areas or a set period of time. For example, a food truck operator might take the first month of sales and make a forecast of the amount of revenue the truck will take in over the next six months. Forecasting is not an exact science. It often cannot account for unforeseeable problems, such as a sudden rise in food cost or the unexpected addition of local competition. In cases like these, the truck operator would closely monitor the effect of new situations and adjust the forecast within the business plan.

Video Notes—

A. Executive Summary

What is it?

Steps:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

B. Company Profile

What is it?

Steps:

- | | |
|----|----|
| 1. | 5. |
| 2. | 6. |
| 3. | 7. |
| 4. | 8. |

Special Note: The Executive Summary and the Company Profile have similarities in the information they provide. However, the Executive Summary is a brief overview of the entire business plan and acts like the appetizer of a meal—you can first send it to potential investors to whet their appetite. If they are interested, they will ask to see the full business plan.

C. Marketing Structure/Marketing

What is it?

Steps:

- | | |
|----|----|
| 1. | 5. |
| 2. | 6. |
| 3. | 7. |
| 4. | |

D. Business Operation

What is it?

1. Short Processes
2. Long-Term Processes

Name: _____ Class: _____

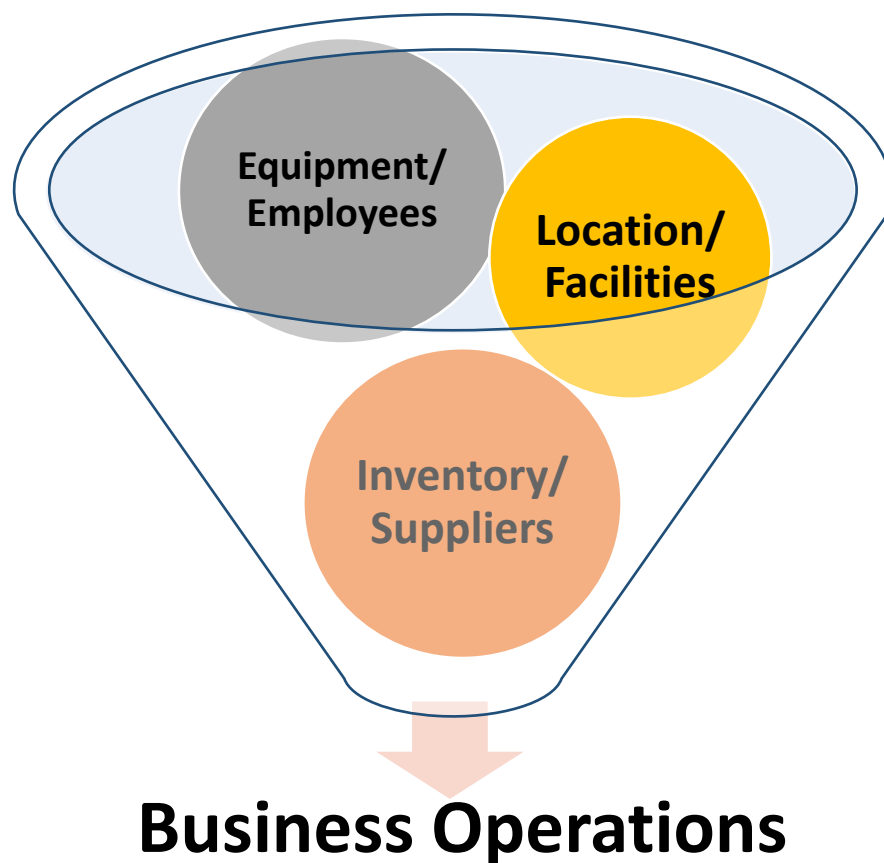
Business Plan Vocabulary

Directions: Define each of the terms below as you encounter them in the lesson activities.

1. Best Practices:
2. Bottom Line:
3. Business Operation:
4. Company Profile:
5. Executive Summary:
6. Financial Structure:
7. Forecast:
8. Marketing Structure:
9. Milestones:
10. Pitch Deck:
11. Socioeconomic Structure:
12. Sustainability:
13. Template:
14. Working document:

Name: _____ Class: _____

Business Operations—What to Include



The information should include all areas that are necessary in the daily operation of the business. The goal is to show a potential investor what you have already accomplished as the owner/operator to get the start-up off the ground. At the same time, you want the investor to know that you understand the expense involved in running the business and the capital (money) you will need.

How many pieces of information would be included in the EMPLOYEES category listed above? Equipment? Suppliers?

Lesson Five – Business Plan Know-How

REVIEW: Business Plan Assessment

30 minutes

Purpose:

Assess participants' understanding of the various components involved in developing a business plan and the purpose for those components.

Materials:

- *Business Plan Assessment*
- *Business Plan Assessment* – Answer Key

Facilitation Steps:

1. Hand out the *Business Plan Assessment* and give participants approximately 15 minutes to complete it.
2. Once participants have all completed the assessment, either have them hand it in to be graded or review it as a class.

Name: _____ Class: _____

Business Plan Assessment

Read each statement below carefully. Decide if it is true or false. T= true; F=false.

1. ____ All businesses must complete a business plan in order to receive a business license.
2. ____ When looking to receive a loan to start your business, a business plan will help.
3. ____ A pitch deck and a business plan are used for the same purposes.
4. ____ A pitch deck is similar to a business plan, only much shorter and usually in presentation format.
5. ____ The first section of a business plan will be the Financial Structure.
6. ____ The Financial Structure and the Marketing can be meshed together in the business plan to save space.
7. ____ Not all business templates will work for every business.
8. ____ A successful business plan will include best practices, milestones, and forecasts of various portions of the business.
9. ____ The Executive Summary can be sent ahead to a potential investor before presenting the rest of the business plan.
10. ____ A business plan serves as a working document, meaning it can be edited as needed to best reflect the growth of the business.

Match each business term on the left its definition in the right column.

- | | |
|---------------------------|---|
| 11. ____ Template | A. step-by-step markers to achieve |
| 12. ____ Best Practices | B. prediction of how business will grow |
| 13. ____ Forecast | C. guidelines for optimal service |
| 14. ____ Milestone | D. plan that can be continually edited |
| 15. ____ Pitch Deck | E. a pattern or design that can be followed |
| 16. ____ Working document | F. a brief overview of a much larger plan |
| 17. ____ Sustainability | G. the financial needs of a company for operation |
| 18. ____ Bottom Line | H. able to continue to exist |

Read each sample of the beginning paragraphs for an executive summary below. Decide which one is the best. Why? Decide which one is the poorest example. Why? Consider which one would hold the interest of a potential investor. Why?

Sample A, Executive Summary

Jumpin' Jap Flash! desires to be the go-to food truck establishment for all of City Central. We practice old world Japanese cooking methods to produce the freshest Japanese delicacies to be found in the Metroplex.

The owners, Gregory Ho and Robert Tanaka, became exhausted with trying to find Asian cuisine that reminded them of their family heritage. It occurred to them that many other Japanese Americans may have the same struggle. Together, they joined forces and Jumpin' Jap Flash! was born; We have been "jumping" ever since!

Because the food truck industry has exploded in the Metroplex area in recent years, Jumpin' Jap Flash! decided to become a part of the food truck community. The extra mobility helps the restaurant to go into narrow streets of the Asian community to bring food to the people.

Sample B, Executive Summary

Jumpin' Jap Flash is the newest restaurant in the food truck scene. We make delicious food at great prices. The people of the Metroplex have new competition!

The owners wanted to find food that reminded them of their childhood homes. Instead, Gregory Ho and Robert Tanaka decided to cook the food themselves. Early food tests convinced them that they knew the right steps to build a restaurant.

Food trucks help to keep expenses low. Jumpin' Jap Flash! wanted a way to supply good food without the necessity of a large storefront. After one month in business, they have proven that people will gladly come to them.

On the lines below, write an analysis that compares the two summaries.

Business Plan Assessment – Answer Key

Read each statement below carefully. Decide if it is true or false. T= true; F=false.

1. **F** All businesses must complete a business plan in order to receive a business license.
2. **T** When looking to receive a loan to start your business, a business plan will help.
3. **F** A pitch deck and a business plan are used for the same purposes.
4. **T** A pitch desk is similar to a business plan, only much shorter and usually in presentation format.
5. **F** The first section of a business plan will be the Financial Structure.
6. **F** The Financial Structure and the Marketing can be meshed together in the business plan to save space.
7. **T** Not all business plan templates will work for every business.
8. **T** A successful business plan will include best practices, milestones, and forecasts of various portions of the business.
9. **T** The Executive Summary can be sent ahead to a potential investor before sending the rest of the business plan.
10. **T** A business plan serves as a working document meaning, it can be edited as needed to best reflect the growth of the business.

Match each business term on the left its definition in the right column.

- | | |
|-------------------------------|---|
| 11. E Template | A. step-by-step markers to achieve |
| 12. C Best Practices | B. prediction of how business will grow |
| 13. B Forecast | C. guidelines for optimal service |
| 14. A Milestones | D. written plan that can be continually edited |
| 15. F Pitch Deck | E. a pattern or design that can be followed |
| 16. D Working document | F. a brief overview of a much larger plan |
| 17. H Sustainability | G. the financial needs of a company for operation |
| 18. G Bottom Line | H. able to continue to exist |

Read each sample of the beginning paragraphs for an executive summary below. Decide which one is the best. Why? Decide which one is the poorest example. Why? Consider which one would hold the interest of a potential investor. Why?

Sample A, Executive Summary

Jumpin' Jap Flash! desires to be the go-to food truck establishment for all of City Central. We practice old world Japanese cooking methods to produce the freshest Japanese delicacies to be found in the Metroplex.

The owners, Gregory Ho and Robert Tanaka, became exhausted with trying to find Asian cuisine that reminded them of their family heritage. It occurred to them that many other Japanese Americans may have the same struggle. Together, they joined forces and Jumpin' Jap Flash! was born; We have been "jumping" ever since!

Because the food truck industry has exploded in the Metroplex area in recent years, Jumpin' Jap Flash! decided to become a part of the food truck community. The extra mobility helps the restaurant to go into narrow streets of the Asian community to bring food to the people.

Sample B, Executive Summary

Jumpin' Jap Flash is the newest restaurant in the food truck scene. We make delicious food at great prices. The people of the Metroplex have new competition!

The owners wanted to find food that reminded them of their childhood homes. Instead, Gregory Ho and Robert Tanaka decided to cook the food themselves. Early food tests convinced them that they knew the right steps to build a restaurant.

Food trucks help to keep expenses low. Jumpin' Jap Flash! wanted a way to supply good food without the necessity of a large storefront. After one month in business, they have proven that people will gladly come to them.

On the lines below, write an analysis that compares the two summaries. Answers will vary

Sample A is the more well-written summary. It seems to tell a story and uses wording to appeal to others. The summary shows that the owners are interested in enriching other people's lives, not just make money. Sample B sounds like they are only interested in being flashy and the most popular. Sample B doesn't show the business investing in people's lives, just making money.

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Menu Design How-tos

Designing a menu should not be a last-minute part of your food truck development. The menu design reflects your brand and entices the customer to make a purchase. Follow the guidelines set here and design a menu for your food truck business that will draw in customers.

1. **Don't Clutter**—White space (areas between sections and items) is not a bad thing. Customers want to relax. If they have to work too hard to figure out the menu, they may not have a good experience.
 - a. Limit food choices
 - b. Maintain uniformity (keep dish titles in the same colors and fonts; dish descriptions can be in a separate color, font, or size)
2. **Use Strategic Item Placement**—Nearly 30% of customers order the first item on the menu. Others read the menu from left to right. This means that the menu items with the largest profit margin should be located in the top two corners.
3. **Draw Attention:** Color and graphics can help draw attention to important areas of the menu. Use sparingly and remember to not clutter! Think borders, shaded boxes, etc.
4. **Use Descriptive Words:** Appeal to a customers' senses with words that will make their mouths water. Ex. savory, buttery, creamy, spicy, decadent, etc.
5. **Consider the Prices:** Many restaurants are making the switch to dropping the dollar signs. Some research shows that customers view the common sign negatively and when it isn't included with the numeric price, they spend more money. Also, do not end prices with .99.
6. **Avoid Price Columns:** Columns make it too easy for the customer to compare prices. The same goes for price trails (a row of dots leading to the price).
7. **Vary Sizes:** Offer items with more than one size. Instead of listing the size in a measurable description like 5 oz. consider listing items simply as Small, Medium, or Large.

Assignment: Go to a menu designing website that provides templates (such as the one listed below). Select a template and design a menu for your food truck that reflects your brand. Use the above tips to strategically place items on the menu.

<https://spark.adobe.com/templates/menus/>