

A stylized orange food truck graphic that serves as the background for the title. It features a white roof with three peaks, a white front bumper, and a large black wheel with a grey hubcap. The text is overlaid on the orange body of the truck.

The **FOOD TRUCK HANDBOOK**

*Start, Grow, and Succeed in
the Mobile Food
Business*

DAVID WEBER

Founder and President of the NYC Food Truck Association

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The
FOOD
TRUCK
HANDBOOK

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the Mobile Food
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DAVID WEBER



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For Juliet

Foreword

Mobile vending has seen a monumental shift in the past three years. What was an underground and unseen industry has become one of the fastest growing trends in food service. I have tried to do my part in advocating for the industry both in Los Angeles and on the national scene. However, mobile vending and the advocacy that supports it must be done locally. David Weber has been exceedingly good at running a successful food truck business while diligently advocating for the rights of all mobile vendors in the largest city in the United States. David's solid restaurant background and inventive style is the reason for Rickshaw Dumpling Truck's success. Even in one of the most competitive cities in the United States, the Rickshaw Dumpling Truck continues to be a leader in the industry both in quality and business practice. David is also the founder of the New York City Food Truck Association (NYCFTA), an advocacy organization that has led the charge against unfair and overly restrictive regulations. Juggling his time between running a successful food truck business and an advocacy organization in the largest US market makes David one of the premier experts in the food truck field.

The new food truck industry is suffering from a lack of resources when it comes to the new gourmet food truck trend. This book will help prospective mobile vendors understand what it takes to start a mobile food business that will get the attention of customers, turn a profit, and stand the test of time. A large part of running a successful food truck is being able to serve a desirable product quickly while still making a profit. David's experience with food service in both restaurants and food trucks provides the reader with real world service solutions for day-to-day food

truck operations. These solutions are imperative for running a successful food truck business.

Starting a food truck business is no small feat. Menu selection, truck wrap design, cost outs, market research, and dealing with the various regulations all seem daunting to the new food truck operator. A common complaint from veteran food truck operators is that there were no resources available to them before they first launched. Much of their day-to-day operations in the first few months were learning the business on the go. This lack of resources led to a high failure rate in some areas of the country, especially in the more competitive cities. Prospective mobile vendors will find this book a wellspring of information in a new industry with very few resources. The step-by-step layout takes mobile vendors through issues that they will have to deal with while launching their trucks and through the life of their businesses.

As the mobile food industry grows, it is imperative that the resources that support it can provide accurate and up-to-date information about the issues that will have an effect on all vendors. This book takes a step in the right direction by laying the groundwork for a more professional industry. A more professional industry will lead to more respect for vendors and more legitimacy for the industry as a whole. The strong following from customers will continue to extend to local communities if the industry continues to grow responsibly and professionally.

—Matthew Geller

Chief Executive Officer

Southern California Mobile Food Vendors' Association
(SoCaIMFVA)

Preface

I first discovered the enormous, life-changing power of entrepreneurship 1,000 kilometers east of Madagascar in the middle of the Indian Ocean. I spent the summer of 2003 in Mauritius, working as a consultant for the World Bank and assessing potential technology investments to support local businesses. I was meant to help five women entrepreneurs with their businesses, but they ended up helping me discover the transformative power of entrepreneurship.

I was amazed at the resourcefulness, ingenuity, and passion of these women. While most of them had started with very little, each of them had become an expert in her field. One woman manufactured stuffed animals for export to Germany; another ran a manufacturing company that sold clothes to France; one had a gourmet food company that made all-natural honeys and jams that were favored by the prince of Morocco; another ran a tourism company that brought visitors to Mauritius from India; and the last had a furniture manufacturing plant. Each of them had taken a risk to open her own business. Each had started small and had grown her business into something larger that was a positive force in her community, family, and personal development.

My experiences in Mauritius lit an entrepreneurial spark in me that I'd like to share with you. The mobile food industry and food trucks, in particular, are exciting because they make entrepreneurship accessible. Everyone has some experience with food, a passion for a special dish, or a family recipe that has been handed down to him or her. However, not everyone has the knowledge or expertise to translate that experience into a successful business. This book is an effort to help build that expertise and make the mobile food industry even more accessible.

I've spent the past five years obsessing on the critical success factors in starting and growing mobile food businesses. In addition to running a business that operates four food trucks in one of the most competitive hospitality markets in the United States, I've also worked as an advocate to improve the industry to provide safe, healthy choices for consumers, growth opportunity for hospitality professionals, revenue for local government, and a fair market for the local hospitality industry.

This book concisely summarizes much of what I've learned and offers practical advice to aspiring entrepreneurs on thoroughly thinking through what it is to own and operate a food truck.

While a truck seems like a much more manageable undertaking than a restaurant, the strict constraints on size mean that each decision made about the design or operation matters more. Consequently, it is extremely important to plan ahead. If you don't fully consider small details as you're planning your operation, the consequences can cause a lot of problems in the future. And while operating a food truck can be extremely rewarding in a number of ways, food truck operations are often romanticized by the media. This book aims to cut through much of the hype about the industry and offers an accurate portrayal of life on the street so that potential entrepreneurs can make informed decisions about jumping into the industry.

My goal is to provide a rigorous foundation in the details you'll most need to consider when planning and operating a food truck business. The book touches on a wide variety of issues, from choosing a concept; to developing a business plan; to picking a vehicle; and to designing the build, branding, marketing, purchasing, hiring, and management strategies for mobile trucks. While this book is aimed at an aspiring food truck entrepreneur, there are lessons to be

learned both by mobile food novices and professionals. The book offers food truck fans “insider” info on the *real* life of food truck operators and provides individuals inside and outside of the food industry with important business advice and insight.

The book is organized into four major sections: Plan, Start, Succeed, and Grow.

1. **Plan:** This section examines the research and planning that is required before opening a food truck. Chapters focus on key aspects of a mobile food business, such as local regulations, menu, format, branding, and finances, all of which will ultimately be incorporated into the business plan.

2. **Start:** This section walks you through some of the key decisions you’ll need to make as you are building your first food truck. Chapters highlight truck procurement, kitchen layout, menu design, and choosing vending locations.

3. **Succeed:** This section walks you through important areas to focus on to ensure that your truck is being run as effectively as possible. Chapters discuss efficient operations, the importance of brand, and the ways in which food trucks can connect with customers. Special emphasis is given to the role of social media.

4. **Grow:** This section discusses ways to scale and grow a mobile food business. Food truck entrepreneurs have successfully grown their businesses from one truck to multiple trucks. Other options explored are brick-and-mortar restaurants, wholesaling, and franchising.

Interwoven throughout is a series of interviews to provide some advice directly from operators working on the streets, who share their thoughts on each of the particular issues that pertain to food truck operations.

Writing this book was both thrilling and daunting. The one thing that kept me going was the confidence that it might

help you succeed with your entrepreneurial endeavors.

I hope that this book helps you to pave your path toward becoming a successful entrepreneur.

—David Weber

Acknowledgments

This book could not have been written without the help and support of a great number of people.

First, I'd like to thank my business partner, Kenny Lao. The more I wrote, the more I realized how much insight into the hospitality industry I gleaned by working with Kenny. Moreover, without his flexibility and efforts, as well as the contributions of Thor, Carrie, Daniel, Monica, Tom, Leticia, and the whole Rickshaw team, I would have never found the time to get this book written. Thank you for keeping the operation organized and running smoothly.

Matthew Geller of the Southern California Mobile Food Vendors' Association (SoCalMFVA) is doing great work on behalf of the food truck industry across the country. Thank you for your time, assistance, and collaboration in our shared advocacy efforts to improve the future of this growing industry.

Special thanks go to Ari Ginsberg, Derek Kaye, and Tim Volkema, who each took the time to review the book and provided feedback and inspiration that greatly improved the final product.

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Many of the interviews and other background details of the food truck industry are based on the contributions of a trio of resourceful researchers: Lucas Adams, Alecia Eberhardt, and Julia Kayser.

Thank you to my family, in particular my wife, Juliet, my parents, Mike and Kathy Weber, and my brother, Jon Weber, for being both sounding boards and sources of support throughout my career as an entrepreneur, and, in particular, throughout the process of writing this book.

I have great appreciation for the grounding in business studies I received at the New York University Stern School of Business. In particular, I'd like to mention Professor Sally Blount-Lyon. You were right: learning how to manage others is more important than any other skill in managing small businesses.

Last, but not least, thanks are due to dessertbaby.com for the amazing cookies that powered me through the final stretch of writing this book.

Introduction

The food truck phenomenon has taken the country by storm. From New York to Los Angeles, the number, the variety, and the quality of food trucks are on the rise. In 2011, the mobile food industry in the United States was estimated to be at \$630 million.¹ I think this sum dramatically underestimates the size of the industry. I believe that the mobile food industry in New York City alone is at least \$450 million. The National Restaurant Association stated in 2011 that food trucks are the *single fastest growing sector* of the restaurant industry.³

If you have any doubts, you can see this for yourself on the streets. Fans are queuing up across the country for tasty food from local trucks. According to an American Express survey, the percentage of respondents that had visited a food truck doubled from 13 percent in August 2009 to 26 percent in July 2010.⁴

From Food Network's *The Great Food Truck Race* (a cross-country food truck trek) to the Cooking Channel's *Eat Street*, media coverage on popular television shows reflects the food truck phenomenon. Zagat's inclusion of food truck for the first time in its 2011 *New York City Restaurants* guide has helped make food trucks an integral part of contemporary city life.

Food Truck Fundamentals

The food truck industry has grown rapidly, from 2007 to the present, while the hospitality industry in general has been flagging in the weak economic environment. The rise of the food truck in the public's imagination is driven by a number of factors including:

- The economic downturn made capital more scarce and the low start-up costs of a food truck more tempting.
- Developments in social media make it easier to track trucks over space and time and have expanded their appeal to broader audiences.
- Relatively rapid improvement can be found in the overall quality and variety of foods now served on trucks.
- The predominant factor, however, may be that customers are looking for more value for their food dollar. Limited by the constraints of operating out of a limited space, today's food truck entrepreneurs are almost exclusively specialists. They do one thing, and they do it very, very well. The limited overhead keeps costs down, and by focusing on a few menu items, food truck operators can focus on getting good pricing and delivering high-quality food for just a few items, which often results in a product that is above average in quality and below average in price.

Food Truck History

Mobile vendors date back hundreds of years and were present with the growth of most major urban or trade areas throughout the United States. These include what we would consider today to be “pushcarts” or “food carts” that sell premade items.⁵

1690s: In New York City, street food dates back to 1691, emerging with the entrance of Dutch settlers.⁶

1860s: American “chuck wagons” emerged to feed cattle hands crossing the United States in the late 1860s and early 1870s. These chuck wagons were created by Colonel Charles Goodnight, who ran the Goodnight-Loving Trail, a cattle drive in Texas. He needed a way to

feed his cowboys on the long drive and the “mobile kitchen” was created.^{7, 8, 9}

1870s: As far back as the 1870s, *tamaleros* (tamale carts) were extremely popular in Los Angeles, and by 1901 more than 100 tamale wagons roamed LA, some even creating mobile kitchens by tapping into city gas and water lines. These wagons were the precursor to the *lonchero*, or the “taco truck,” which dominated Los Angeles for most of the twentieth century.

What is thought to be the first traditional “food truck,” similar to what we see now, was opened by Walter Scott in Providence, RI in 1872. His wagon sold breakfast sandwiches and pies to workers at nearby establishments. Charles Palmer patented the “lunch wagon” design in 1891.¹⁰

1900s: By the early 1900s, food carts and “mobile vendors” were extremely popular, with thousands estimated to have worked the streets of New York. It is thought that the rise in street carts around this time was due to the rise in people working outside the home (i.e., not in agriculture) and the growth of urban environments. Food carts and wagons also began operating at night in bigger cities (Boston, New York) to accommodate the nightlife of those going to the theater.¹¹

Lunch wagons transformed into food trucks with advances in technology. In the early 1900s to the 1930s, street vendors (trucks and carts) in New York were subject to many regulations, but these typically were not enforced in the immigrant-saturated areas of the city. Thus, immigrants ran much of the mobile food scene, and the food choices reflected that.⁵

Street food gained a reputation for being both unhealthy and unsanitary, possibly because the horses who pulled the wagons also defecated close by on the streets.¹²

1950s: The association with immigrant culture and unfamiliar ethnic food created a decline in popularity throughout the mid-twentieth century.

The phrase “roach coach” began to be used mid-century to refer to the unsanitary conditions of the trucks. Trucks were associated mainly with blue-collar society, as they tended to serve their cheap lunches around construction sites and military bases.¹³

2000s: The rise of the modern food truck. The declining economy in 2007 and 2008 resulted in fewer construction projects and therefore fewer construction sites and fewer customers for the standard “roach coach” food truck. At the same time, many high-end chefs were out of work and looking for a new way to use their skills. Thus, the “high-end” or “gourmet” food truck came into being.¹³

Recent Food Truck Milestones

2007: Armenco, a food truck manufacturer in Los Angeles, began to shift business from traditional lunch trucks to custom “gourmet” food trucks.³

2008: The opening and subsequent success of KogiBBQ in LA, one of the original gourmet trucks, signals the shift in the food truck landscape.¹⁴

2010: The annual National Restaurant Association (NRA) Show featured mobile food-related exhibitions for the first time.¹⁵

The Food Network broadcasted their new reality competition show, *The Great Food Truck Race*.¹⁵

2011: In April another show on the mobile food industry premiered, this time on the Cooking Channel, called *Eat Street* and featured different street foods from across the country.

Zagat added a Food Truck section to their restaurant reviews in some cities.¹⁴

Culinary schools in some states began to add mobile food cooking classes to their curriculum.³

The Future of Food Trucks

Food trucks are far from hitting their peak. The market is still developing, and there are many opportunities for new operators who want to open trucks to sell food that they are passionate about. Technomic, a food industry consulting firm, reported in July 2011 that 91 percent of customers polled believe that food trucks are not a passing fad, but rather a trend with “staying power.”³ Growth in food trucks is driven by two major forces: the growth of a mobile food culture in new municipalities across the United States and the improved access to food that the trucks offer in these markets as well as established markets. Customers appreciate the value and quality of mobile food and will continue to embrace the industry so long as operators deliver clean, tasty, and interesting products at a fair price.

Food trucks are great for cities. They get customers out on the street and create a sense of community. As local municipalities learn the value of what food trucks have to offer in terms of tax revenues, job growth, tourism, activating public space, and fostering entrepreneurship, local regulations will improve. One of the most compelling aspects of food trucks is their ability to act as an incubator for entrepreneurs to start a viable, cash flow-positive business that they can grow into a brick-and-mortar establishment to become a more stable part of the community.

In addition to opportunities for food truck entrepreneurs, there is also a wide variety of opportunities in supporting industries that will develop as the food truck market matures. Food truck operators are looking for better trucks, more eco-friendly power supplies, quieter generators, small-

run food manufacturers, more customizable insurance resources, more robust financing tools, marketing partners, and information technology resources.

It is an exciting time for mobile food in America. The industry is big and growing fast. I look forward to seeing what you will bring to the streets.

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