

Hogs on Parade

A Business Proposal

Sandra Chavez | DFM 353GWAR

Claire Walsh, MS, RD

San Francisco State University

Hogs on Parade: A Business Proposal

Hogs on Parade Introduction

It has been shown that consuming alcohol increases a person's appetite for food intake and more food is consumed after enjoying an alcoholic beverage (Heatherington, Cameron, Wallis, & Pine. 2001). In Fremont, the popular watering hole California Craft Beer is in a position where they have the beverages, but few options for a meal. This is where Hogs on Parade (HoP) steps in. We hope to fill the void of late night eating for this location as well as others in the Fremont area. Our meals are focused around pork products while giving consideration to alternate eating lifestyles, sustainability, and seasonality.

The San Francisco Bay Area is just one of the many expanding food truck markets in America and as an industry, the mobile food service model can be very profitable (Ehlrich). California Craft Beer is conveniently located across from one of the most popular community colleges in the area. This particular location is surrounded by learning centers with the bar being the only establishment of this type in the immediate area. The popular beer bar has no kitchen space (and is in a location which would not allow expansion) and allows patrons to bring in outside food to enjoy with their beers. The focus of our menu includes delicious pork based items, sandwiches and tacos in particular, to fill the void often accompanying a beer. We will offer mostly seasonal items and work with our community to source the majority of the supply from local farmers. The mobility of Hogs on Parade (HoP) will allow operations to move to the bustling Downtown and City Hall areas of Fremont during the lunch hours and return to the craft beer location for evening service. Additionally, Fremont is home to the Tesla NUMMI plant, which employs hundreds of workers who often have limited food options nearby due to its location in a heavily industrial area of the city.

Mission Statement

Our mission at Hogs on Parade food truck is to deliver delicious seasonal late-night bites to the patrons of the local beer bar. By providing a convenient mobile location we bring the pork lovers of other locations an opportunity to dine while enjoying a pint or during a work or school break.

Goals and Objectives

We aim to serve the local beer bar's customers delicious food while they enjoy their beer. This will be achieved by collaborating with bar owners to review the drinks for the both monthly and weekly, and by identifying local ingredients, which can be paired well with the beverage offerings. We will offer the best choices for our customers so they may enjoy a great meal with the libation of their choice. The agreements with the individual locations would also establish boundaries of each kitchen, should we encounter one with its own cooking facility.

We will also strive to provide a variety of dishes to serve many palettes, but maintain a workable menu for the kitchen staff. This is to be accomplished by narrowing down ingredients each month so they can be used in multiple dishes will give a feeling of variety in the menu. Additionally, we will keep vegetarian and allergen-safe ingredients available to cater to more palettes.

Type of Food Service

Hogs on Parade is a mobile food service which will primarily service the Mission Hills area of Fremont, CA. Most of the offerings will be prepared in an offsite "brick-and-mortar" commercial kitchen due to the small nature of the food truck kitchen and local regulations. Although this would categorize HoP as a ready-prepared food service (cook-chill), the items would generally be cooked only one day in advance to maintain freshness. Since sauces and

condiments would generally be made in-house, these items would be made two to four days in advance to avoid kitchen staff burnout and ensure that these essential meal counterparts are always available.

Target Population

The United States Census Bureau (2010) estimates people aged 20-34 make up 20% of the total population of Fremont. Of this population, 14.8% reside in the Mission Hills area of Fremont, which is generally quiet with the major exception of the California Craft Beer location. Although the immediate local population is not as large as other local major cities, social media would bring additional customers to the area. Foot traffic in front of the establishment is heavy during the school hours of 8:00 am to approximately 4:00 pm with the local community college bustling with students. According to Ohlone College's Research and Planning Office (2012), 49% of students fit into our target age group. Although not all students may be within the legal drinking age, this range of hours provides an opportunity for our meals to be enjoyed by more than the late night crowd. With a last call time of 11:45 pm the bar closes earlier than other establishments which would allow Hogs on Parade to serve the customers leaving this bar perhaps before heading to their next watering hole. The bar also has a loyal client base whom make frequent appearances throughout the week. These customers would be a focus for HoP's marketing since infrequent visitors of the establishment would likely hear their opinion; they would be encouraged to sample the offerings from our food truck. When school hours are over or less popular (e.g. Summer break, Spring break, or Fridays), our operations would move to the Downtown Fremont area where there are local businesses, City Hall, Chamber of Commerce, and the Hall of Justice. Alternate locations would include the heavily employed Tesla plant which resides just a few miles south of the bar location. The Tesla plant employs several hundred

hungry assembly line, office, and battery plant workers every day. Although Tesla has not released official employment numbers an employee of the plant has verified that there are hundreds of workers per shift (Brian Newbold, personal communication, September 9, 2015). This would be a supplemental location to the late night hours on some weeknights when the bar is not as busy or closed since the plant operates 24 hours a day.

Type of Menu

The menu will largely be a cyclical style with consideration given to seasonal availability of items. The allergen-safe option is static due to the complex nature of handling these items. Allergen-safe in this case would be defined as free from peanuts, gluten, and soy. The vegetarian option would rotate seasonally as opposed to the rest of the menu, which would be cycled weekly. This menu offers a few selections for many different palettes, even an allergen-safe option appealing to those who are not seeking out a specialized diet. Every effort will be made to accommodate dietary restrictions and allergen requirements, but the avoidance cross-contamination is not 100% guaranteed given the small space. In addition to the menu items included in our sample menu, we would have general non-alcoholic beverage offerings since not all of our clientele includes beer drinkers, and the hours of operation are not always conducive to alcohol consumption.

The San Francisco Bay Area is unique in its environment with the variable microclimates. These small areas with different weather patterns make the Bay Area an ideal farming region. HoP has partnered with a few of these vegetable farmers to provide the ingredients for our fresh salsas, sauces, and salads. Additionally we have identified The Local Butcher Shop in Berkeley to provide our staple ingredient: pork. This particular shop is known for providing high quality meat products all sourced from farmers within 100 miles of the

storefront. By partnering with these vendors, we will ensure that our mission of local and sustainable food is consistently achieved.

Sample Menu

Hogs on Parade Sample Menu

The Flying Hog: Open-faced Chile Verde torta topped with a farm-fresh egg cooked sunny-side up.

Snoop Hoggy Hog: Biscuit sandwich made with bacon, tomato, onions, and lettuce, and pâté.

The Hogless Hog: Our Snoop Hoggy Hog with vegan seitan and vegetarian pâté.

The Blanket Hog: Carnitas style tacos served with onions, cilantro, salsa verde, and a sprinkle of pork rinds (free of peanut, gluten, and soy)

The Piglet: Seasonal salad topped with crispy pork rinds (available without rinds). Served with choice of ranch, balsamic, or chipotle dressing.

On the side/Top it off:

Chicharron with pâté / pickled vegetables (*v*) / seasonal root chips (*v, gf*) / egg to top off any sandwich

Layout & Design

There are two operations involved in the running of the Hogs on Parade food truck. The mobile location requires a brick-and-mortar kitchen to properly cook, store, and clean the tools necessary to provide the hungry people of California Craft Beer in Fremont, with tasty bites. Each of the locations has been provided with the equipment and layout as specified by both local regulations and the actual business needs.

Mobile Layout & Design

The food truck offers 20 feet of working space with an added layer of stainless steel providing protection from the kitchen to the driver's cabin. Beginning from the rear of the truck

a door swings outward from the kitchen, allowing ample room for loading the products for daily service. The flow is linear due to the narrow nature of a food truck and the limited available space. To the immediate right is a 14 gauge prep table, which is to be utilized for storage of serving items, cups, and other utensils for customers. The stainless steel top allows this surface to hold the ventless fryer with a fry dump area adjacent to it for holding the freshly fried items. Fried foods are likely to be added to plates just prior to handing the order off to the customer so, its proximity to the service window is an added advantage. This helps HoP's mission to serve our customers their bites quickly while maintaining freshness. Adjacent to the fry dump there is a refrigerated service-top area which will be the final stop of each food item as it will be the countertop below the service window. The refrigerated portion will house previously chilled product ready to be heated and served. Before a HoP order can be finalized, it must be assembled. The final assembly will take place on the sandwich/salad prep table since it will house the prepared condiments ready for use along with the salad greens, should a customer choose the healthier option. The refrigerated lower portion of the sandwich prep table is refrigerated and will be used to store previously prepared condiments for quick replenishment in the prep area above. Finally, at the end of the truck closest to the driver's cabin is the handwashing sink. The proximity to the cabin stems from the idea where the driver will likely park the truck in the agreed upon location and begin preparing the kitchen for service – only opening the larger windows right before service begins.

On the opposite side of the truck is a refrigerated worktable where items prepared previously will remain until the reheating process will begin. The tabletop will also serve as additional workspace for either final preparation of the dishes or if needed countertop storage of plates and cutlery. Continuing toward the rear of the truck, the required 3-compartment sink lines

the left-hand side of the truck (driver's left). The sink complies with the Alameda County Health Department requirements as stated in the publication *Requirements for a Mobile Food Facility Ware Washing, 3-Compartment Sink*. The sink was placed in the center of the food truck due to the miniscule nature of the truck; it was important to keep the sink accessible from all stations. Next to the sink is a two-drawer warmer for storage of the buns and other bread items needing to be warmed when serving. The top of the drawer has another workable countertop, which can be used by the cook to hold items needed in his or her immediate reach. This leads to the final piece of equipment on the truck: an electric countertop griddle. The griddle offers the space needed for the cook to adequately reheat each piece of the meal as needed to provide the customer with the perfect pair to his or her beer. Although food trucks don't bring the word sustainability immediately to mind, Hogs on Parade will offer all biodegradable and compostable cutlery, dishware, as well as recyclable containers for non-alcoholic beverage offerings. During service containers for composting, recycling, and trash will be located in front of the truck so customers can easily dispose of these items at no inconvenience to the bar owners. Each will have a placard detailing which items belong in each bin to avoid any confusion. Our efforts will ensure a good relationship with bar management and the owners.

Commercial Kitchen Layout

The commercial kitchen is an integral part of the Hogs on Parade operation; it is where all of the menu items are prepared from scratch, save for few exceptions. The building is 1,026 ft² and houses the necessary equipment for service. Beginning at receiving the flow of the workspaces leads to dry and refrigerated storage areas, which are across from the prep areas. There are two large reach-in refrigerators to hold not only the unprepared items, but the prepared ones as well. The prepared items will be cooled and held in one of the refrigerators until it is time

to load them into the food truck for service. Across from the refrigerated store areas are the prep areas with the pre-prep being closer to the range and oven for ease of movement, and the cold-prep area immediately in front, but allowing adequate workspace in between each. The cold prep area will also be utilized for the cooling of the cooked items so they can be stored according to safe food handling guidelines. Along the back wall of the kitchen is an office with two gender-neutral restrooms adjacent. The restrooms divide the office and the employee break/locker area. Additionally, at the end of this wall is a janitorial closet; housed as far away from any food items as possible, it will hold cleaning materials and other cleaning items. If instead of following the main route an individual makes a left upon entering the receiving area, they would find themselves at the ranges. The ranges are adjacent to a large convection oven where the biscuits for some of the menu items will be prepared daily. The planetary mixer and additional prep tables will be next to the oven so dough can be easily prepared and transferred to the oven. Additional shelving lies to the rear of the bread preparation area; this storage will be used to house clean dishware. Placing this storage in this area allows clean pans, pots, and other important items to be picked up by any staff member easily adding to the efficiency of the kitchen. Behind the clean wares storage shelves are a 3-compartment sink and a dishwasher. As seen in the food truck layout, the sink complies with local county regulations. A loading area 6 feet wide is between the ware washing area and the janitorial closet. From here all items prepared to sell for the day are loaded into the food truck to be sent off for daily service.

Overall the kitchen will include linoleum flooring and additional anti-fatigue mats at any location where an employee will be standing for a prolonged period of time. The lighting will be energy efficient, but will not be too bright so employees can work comfortably. We will maintain

a sustainable operation by using low-flow plumbing wherever possible and EnergyStar appliances.

Budget Justification

In order to operate the Hogs on Parade (HoP) food truck efficiently and profitably, an organized and detailed budget is needed. The demand for food at the California Craft Beer location is high and we intend to meet the culinary needs of local beer-drinkers. The goal for our budget is to show our employees that we care, maintain durable equipment, and provide quality food to the people of Fremont, California.

The rise in popularity of food trucks gives the mindset that most food trucks are found together in various markets such as the ever-popular Off the Grid markets. The location of HoP in front of a local beer bar gives us the advantage of low competition. During the lunch hours of 12:00 am – 3:00 pm Tuesday through Saturday, we expect to serve 150 guests while during the dinner/evening (6:00pm – 9:00pm) time the number would increase to 220 guests. HoP will also be available for catering and we estimate an average of 400 guests served monthly at these events. We have decided to keep Sunday and Monday as regular days off for our staff and if needed, as time for management to review weekly office paperwork.

Menu Pricing

A brief search of the local Southern barbecue restaurant yielded a price of \$9.75 for a basic pulled pork sandwich (<http://www.smokingpigbbq.net/bbq-ribs-food-menu-fremont.html>). Since this is a comparable sandwich and our menu offerings would be a bit less involved than this particular sandwich, we kept our prices reasonable. With our average menu item being \$7 (the most expensive is \$9), a side dish averaging \$3, and drinks priced at \$1.25, we estimate the average lunch check to be \$11 and dinner at \$12. Guests also have the option of adding an egg or

pork rinds to their meal for a small price, which boosts each of the check totals. We believe the low cost of the additional items would encourage guests to purchase an add-on for their meal or simply to purchase these add-ons as a snack when guests are not feeling up for a bigger meal. The monthly catering availability would bring an average check of \$11 since the menu would be predetermined with consultation of our client.

Revenue

The annual revenue we expect from the sales of our pork-based dishes, before the subtraction of food and beverage costs, payroll, and other additional costs is \$1,333,200. Our food costs are expected to be \$366,630 and beverages costs \$44,440 calculated at 33% and 20% respectively. The percentages were calculated from their individual sales totals. The costs, as calculated, are rough estimates due to the seasonal nature of the menu. Efforts will be made to purchase both locally and sustainably when possible which, may be beneficial to the total food cost since seasonal food items tend to be less expensive. Using the recommendations of the budget worksheet provided, we are calculating our occupancy costs at \$82,036.24, which is 20% of our income before occupancy, interest, and depreciation. A local commercial kitchen rental company has a variety of packages for our needs and after some negotiating would likely fit within our occupancy budget (<http://www.bayareakitchenrental.com/membership/>). This price would also account for the equipment provided by the facility, allowing additional dollars to be allocated to the food truck's own equipment and upgrades.

Staffing Budget

The minimum wage in Fremont currently stands at \$10 per hour with increases in the coming years. Since our operation would require 3 staff members for each of the lunch and dinner segments of the day, including one hour before and after the mealtimes for set up and

take-down, the total hours would be fulfilled by 3 part-time employees per shift. Given that daily there would be 8 working hours with 3 team members per shift (6 team members total), the total weekly labor hours needed is 120. The part-time status of these employees would allow flexible scheduling and help offset the costs associated with benefits. There would be 4 additional full-time salaried staff members to prepare food in the commercial kitchen, receive deliveries, and manage the loading and unloading of the truck for daily operations. Since the full-time staff would be salaried, their hours are not calculated in the variable payroll calculations. The part-time staff member's wages would start at \$13 per hour for a total of \$1,560 in payroll per week. The rate of \$13 per hour reflects the high local cost of living estimates. Although, HoP would not fulfill the cost of living rate for our part-time employees, we would assume the role of secondary employer to these staff members. The full-time staff members would be more experienced since their work requires the actual preparation of the food before service; their salaries would each be \$46,000 annually. The salaries align with the recommended 14% of the total sales stated in the worksheet (Smitt, 2014). The part-time hourly rate is under what is estimated in the worksheet, however, there is ample room in the variable payroll category to allow for performance bonuses and the resolution of any wage concerns that may arise.

Conclusion

Hogs on Parade is a locally focused food truck offering Fremont's students, late night workers, and beer-lovers a convenient and mobile option to grab an exciting and pork-centric meal. The food truck scene is still alive and well in the San Francisco Bay Area and we at HoP hope to be key players in providing delicious and efficient meals to the variety of people who frequent the Mission Hills area of Fremont. With a solid budget, efficient layouts, and the hard work of our dedicated staff, we are confident that HoP will be an integral part of the late-night

eating scene for the patrons of California Craft Beer. The large size of the city poses a challenge to any mobile food vendor, but with our commitment to the people, we at HoP are confident a Flying Hog or a Hogless Hog will satisfy the bellies of the citizens of this city.

References

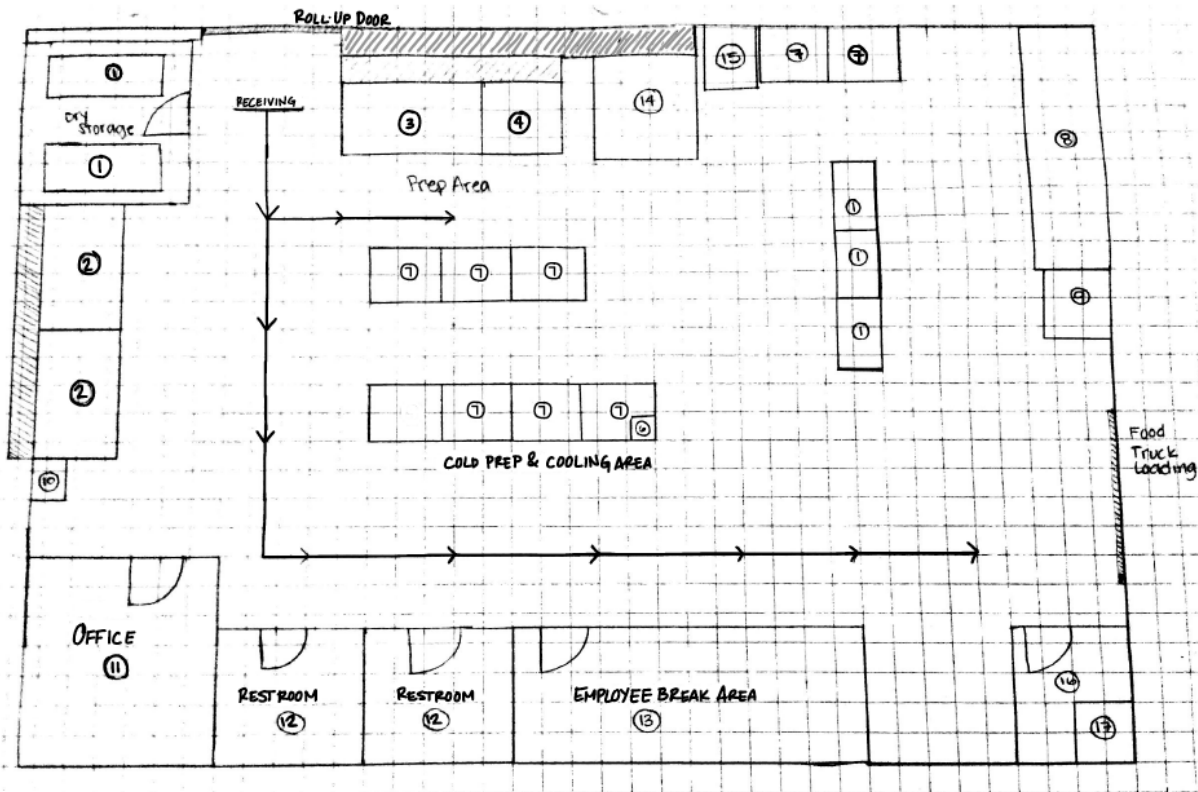
- Alameda County Department of Environmental Health. *Requirements For a Mobile Food Facility Ware Washing, 3-Compartment Sink*.
- Alameda County Department of Environmental Health. *Mobile Food Facilities*. Retrieved from http://www.acgov.org/aceh/food/mobile_food_units.htm.
- California Association of Environmental Health Administrators. January 2015. *Excerpt from the California Health and Safety Code Division 104-Environmental Health Part 7. California Retail Food Code Chapter 1. General Provisions*. Retrieved from <http://www.acgov.org/aceh/food/calCode.htm>
- Heatherington, M., Cameron, F., Wallis, D., Pirie, L. Stimulation of appetite by alcohol. *Psychology and Behavior*. v74(3). 283-289. doi 10.1016/S0031-9384(01)00598-4
- Mayyasi, A. 2013. *Food Truck Economics*. Pricenomics. Retrieved from <http://priceconomics.com/post/45352687467/food-truck-economics>. Oct. 22, 2015.
- Research and Planning Office. Ohlone College. 2012. *Distribution of Students by Age – Fall (2012)*.
- Small Business Development Center. *Mobile Food Vendors*. (n.d). Retrieved from <http://www.sbdcnnet.org/small-business-research-reports/sbdcnnet-connections-issue-55-mobile-food-vendors>
- Smitt, M. 2014, Budget Justification Worksheet
- United States Census Bureau. *Fremont Demographics*. 2010. Retrieved from <http://factfinder.census.gov>
- <https://www.bigtray.com>
- <https://www.cateringtruck.com/gourmetfoodtrucks.html>
- <http://offthegridsf.com>
- <http://thelocalbutchershop.com>
- <https://www.webrestaurantstore.com>

Appendix A: Budget Details

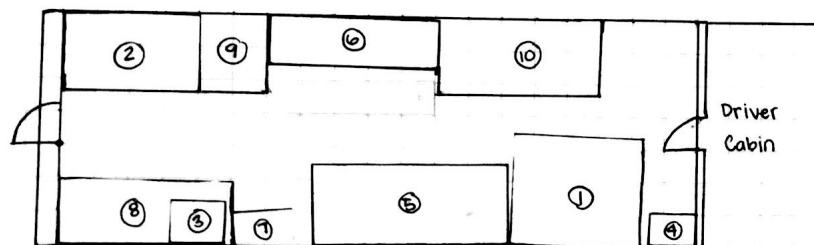
Meal Period	# of Seats	Turnover	Average Check	# of Days per wk.	# of Weeks	Total Food Sales (a)	Beverage %	Total Beverage Sales (b)
Tues.-Sat. Lunch	<u> 1 </u> x	<u> 130 </u> x	\$ <u>11 </u> x	<u> 5 </u> x	52 =	\$ <u> 371,800 </u>	x <u>20 </u>	= \$ <u> 74,360 </u>
Tues.-Sat. Dinner	<u> 1 </u> x	<u> 220 </u> x	\$ <u>12 </u> x	<u> 5 </u> x	52 =	\$ <u> 686,400 </u>	x <u>20 </u>	= \$ <u> 137,280 </u>
Catering	# of Meals	Average check		# of Months				
Catering	<u> 400 </u> x		\$ <u>11 </u> x	1 x	12 =	\$ <u> 52,800 </u>	x <u>.20 </u>	= \$ <u> 10,560 </u>
						Total Food Sales		Total Beverage Sales
						\$ <u> 1,111,000 </u>		\$ <u> 222,200 </u>

SALES		
Food (a)	\$ <u>1,111,000</u>	
Beverages (b)	\$ <u>222,200</u>	
Total Sales (c)	$c = a + b$	\$ <u>1,333,200</u>
FOOD & BEVERAGE COSTS		
Food (d) $d = \underline{33}\% \times a$	\$ <u>366,630</u>	
Beverages (e) $e = \underline{20}\% \times b$	\$ <u>44,440</u>	
Total Cost of Sales (f)	$f = d + e$	\$ <u>411,070</u>
GROSS PROFIT (g)	$g = c - f$	\$ <u>922,130</u>
CONTROLLABLE EXPENSES		
Fixed Payroll (h) $h = \underline{14}\% \times c$	\$ <u>186,648</u>	
Variable Payroll (i) $i = \underline{13}\% \times c$	\$ <u>173,316</u>	
Employee Benefits (j) $j = \underline{20}\% (h + i)$	\$ <u>71,992.80</u>	
Other Controllable Expenses (k) $k = \underline{6}\% \times c$	\$ <u>79,992</u>	
Total Controllable Expenses (l)	$l = h + i + j + k$	\$ <u>511,948.80</u>
INCOME BEFORE OCCUPANCY COSTS, INTEREST, DEPRECIATION & INCOME TAX (m)	$m = g - l$	\$ <u>410,181.20</u>
Occupancy Costs (n) 20% of m	\$ <u>82,036.24</u>	
INCOME BEFORE INTEREST, DEPRECIATION & INCOME TAX (o)	$o = m - n$	\$ <u>328,144.96</u>
Interest (p) 5% of m	\$ <u>20,509.06</u>	
Depreciation (q) 2% of m	\$ <u>8,203.62</u>	
Restaurant Profit/(dLoss): (r)	$r = o - p - q$	\$ <u>299,432.28</u>

Appendix B: Layout & Design



- | | |
|---|----------------------------|
| 1. Shelving Kit | 10. Handwash Sink |
| 2. Reach-in Refrigerator | 11. Office |
| 3. Six Burner Range with Flat-top & Storage | 12. Restroom |
| 4. Six Burner Range with Oven | 13. Break/Locker Area |
| 5. Ice Maker | 14. Convection Oven |
| 6. Countertop Food Processor | 15. Planetary Mixer |
| 7. Flat Top Work Table with Underself | 16. Janitorial Supply Room |
| 8. 3 Compartment Sink | 17. Mop Sink |
| 9. Dishwasher (door type) | |



- | | |
|--------------------------------|--|
| 1. Sandwich/Salad Prep Table | 6. 3 Compartment Sink |
| 2. Electric Countertop Griddle | 7. Fry Dump |
| 3. Ventless Fryer | 8. 14 Gauge Prep Table |
| 4. Handwash Sink | 9. 2 Drawer Warmer with Fan |
| 5. Worktop Refrigerator | 10. Stainless Steel Work Table with Closed Storage |