**Study of Feasibility of Sustainable Food Truck At Columbia University**

**New York City, New York**

Prepared for: Mr. Robert Lunch, Chief Executive Officer

Prepared by:

Executive Staff Members of The Lunch Box

April 3, 2015

**Memorandum**

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| **To**: | Mr. Robert Lunch |
| **From**: | Executive Staff Members |
| **Date**: | April 3, 2015 |
| **Subject**: | Feasibility Report for The Lunch Box New Location |
| **CC**: | All Other Staff Members |

Enclosed, please find the study that you have requested for the feasibility of opening a new Lunch Box Truck location at Columbia University in New York. The Lunch Box has plenty of prospective schools that we, as a company, can embark on; however, at this time, we believe that the students and faculty at Columbia University are actively seeking healthier living and more community involvement.

Although this is a great business move for The Lunch Box, we would like to make you aware of one concern with serving this location. Our supply of some seasonal fruits and vegetables may have to be delivered from neighboring cities, which would limit serving portions on this particular truck due to agricultural and weather limitations. Depending on the severity of product availability, this may drive up our projected food budget. Moreover, we believe that Columbia University students and staff can understand the possibility of menu selection deviations; we will assure Columbia University to always provide the best of the items that are fresh and readily available. We at The Lunch Box, also have rich relationships with various resources, which will aid us in reducing possible delivery overhead. In addition, Columbia University has a network of resources and community support that we at The Lunch Box look forward to building close relationships with that will effectively serve the community, support our purpose, and supply our customers with quality products.

We look forward meeting with you to address and discuss our findings.

CC: All Staff Members

**Attachments: Feasibility Report**

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**Executive Summary**

This report explores the feasibility of the Lunch Box Food Truck expanding its corporation to an additional location at the University of Columbia in New York. Although this is a great business move for the Lunch Box, we must stay aware of our initial concerns with serving in this location. First of all, a major city like New York will create some difficulty for our business such as; obstacles with maintaining sustainable supplies as well as distributing our compost waste. Second, since our location is on a campus we will have to face the competition of other food establishments. However, when considering the new location we must focus on the advantages. Because we already own the truck we want to move onto campus, there will be no additional overhead costs thus saving thousands of dollars. A customized menu utilizing seasonal products that are available will attract more people to our truck and allow us to offer reasonable prices, which our customers will appreciate. Also, our easy and user-friendly Lunch Box application on smart phones is just another tool for our customers to take advantage of, which saves time and makes ordering and pick up more hassle free. Although we have more advantages than disadvantages we should proceed with caution. Our plan for opening the Lunch Box Truck will be clear and precise to ensure the success of the corporation. If our plan is followed as outlined, overall we determine that it can be feasible.

**Introduction**

This study examines the feasibility of opening another one of our sustainable food trucks at a new proposed location: Columbia University in New York City, New York. This report examines the advantages and disadvantages of having a Lunch Box truck at this location and our strategies for combatting any possible disadvantages we may come across. The report contains the following:

1. The definition of Sustainable Food vs. Industrial Food
2. The Advantages of opening a Lunch Box Truck at Columbia University
3. The Disadvantages of opening a Lunch Box Truck at Columbia University
4. Our Conclusions and Recommendations

**Sustainable vs. Industrial Food**

What makes The Lunch Box Truck very unique compared to other options students have for food on campus is our dedication to provide easily accessed, healthy, and sustainable food. Often times, most college campuses serve food that come from industrial food sources because it is easier to purchase in bulk in comparison to sustainable food. However, sustainable food, besides being more nutritious for our bodies, is also better for the environment and has little to no cost when it comes to transportation, packaging, and waste processing . Below, is the criteria for classifying Sustainable food and Industrial food.

**Sustainable Food**

What does it mean to eat sustainably? There are three main qualifications that make food sustainable: how it is grown, where it is grown, and how it affects human and environmental health. Firstly, sustainable food is grown without pesticides, antibiotics, synthetic fertilizers and not at the expense of the environment; it does not degrade soil, water or other natural resources. Secondly, to be considered sustainable, food is grown locally and regionally as opposed to nationally and internationally. When food is grown close to where it is consumed, it is harvested at peak ripeness containing more nutrients and transported shorter distance, eliminating the need for a lot of packaging to keep it fresh. Typically, sustainable food is purchased at farmer’s markets and local, independent grocery stores. Lastly, sustainable food provides nutrition with a reduced risk of being exposed to bacteria, pesticides, or additives such as preserving agents. Not only does sustainable food provide a significant amount of benefits for human health, but it also positively impacts the environment and local community. Sustainably grown food does not abuse natural resources such as water or soil, and it also helps support the local economy by providing jobs for small farms and creating communal relationships between farmers and their consumers (Sustainable Table, 2015).

**Industrial Food**

Industrial food is quite the opposite of sustainable food. Industrial food, unlike sustainable food, is mass produced in a network of large, factory-like farms. These farms typically grow their food using pesticides and often engage in over-irrigation. The distributing and processing of industrial food is on a much larger scale, involving multiple packaging and distributing locations with more people involved. This means there is an increased risk for contamination due to a higher chance of improper handling and preparation. Industrial food and farming impacts the environment more negatively because it abuses natural resources and also produces a larger amount of waste because of the packaging. Industrial food, while still nutritious, contains unnatural additives, and preservatives to help keep it fresh before it arrives in the hand of the consumer (Sustainable Table, 2015).

**History**

Within the last year, Columbia University has been identified as the #5 “greenest” university in the United States by Best Colleges (Best Colleges, 2015) and was ranked in the top 25 healthiest college campuses by the Greatist (The Greatist Team, 2014). Columbia University has an excellent Environmental Stewardship program whose mission is to provide sustainability using a multifaceted approach that tackles everything from electronic waste processing, to water conservation and even compositing (Environmental Stewardship, 2015). The university was also ranked among the top of healthiest college campuses because it serves a variety of food options, has extensive health services and a recreation center that provides fitness classes and personal training. This type of community is well suited for our services and the opportunities that we provide.

**Advantages**

When considering a new location to place our Lunch Box Food Truck, it is imperative to think through the critical criteria to assure maximum advantages for the Lunch Box and our customers. We have evaluated and researched other top 5 successful food trucks like Kogi BBQ, The Cinnamon Snail, and The Grilled Cheese Truck to construct some of the advantages and disadvantages we may face (Myers, 2014). Also to compare and contrast, operation, location, and cost. As a result of our research the following criteria provides advantages of the Lunch Box in cost, customization, and time.

**Cost**

Since The Lunch Box already owns this truck and we only intend to move its location to Columbia University, it saves the corporation thousands of dollars up front. The strategy of taking an existing truck and relocating it to a theoretically more profitable location makes this an easy and low cost move for The Lunch Box. Additionally, the cost to run our ordering application is minimal but has the potential to drive up sales dramatically due to its convenience and accuracy. We only look to initially devote roughly $111,160.00 annually with a return in sales of $486,000.00 in the first year (Food Truck 101, 2011); this permits optimal room for growth within the Lunch Box Corporation and increases our budget for charitable contributions to the Children’s Hunger Fund.

**Customized Menu Options**

Much Like in a school’s cafeteria like menu selection, The Lunch Box will have a menu that not only rotates the availability of certain foods/meals, but will also follow suit with the season of the finest fruits and vegetables that are currently available. Our customers will also have the freedom of substitution without penalty and customization of any set menu item. Also, our Smartphone Lunch Box application will be user friendly and allow for easy touch button customization options for our users. This application then feeds to our Point of Sale (POS) system which prints and easy to read orders to minimize any errors in preparation, our POS system allow is without compare to other food trucks which require you to physically be present to place your order.

**Development Time**

The time that will be spent relocating our existing truck to New York is significantly less than having to purchase a new truck in the area in and to get the truck fully equipped and stocked. The tremendous amount of time saved will allow The Lunch Box to have a smooth soft opening during the first week of the fall semester, which will help us perfect our menu selections tailored to the suggestions of our customers. In addition, we will be able to spend more time marketing our presents on campus and networking with Columbia University and its sustainable dining initiative (Environmental Stewardship, 2015). With our saved time, we can also make connections with the local farmers markets and nearby farms to arrange for the distribution of our compost. Lastly, all licensing and health inspections can be done roughly upon arriving in New York. With all these key factors in place, we are assured to have a smooth running grand opening with virtually no costly complications.

**Convenience**

With all the aforementioned key areas covered in an expedited matter, this location will become practically self-sufficient in a matter of a few months. The Lunch Box Management will then spend less time allocating resources and corporate manpower to oversee its progress. The Lunch Box management can then quickly allocate its time and effort into a new truck for an additional location and further our financial and community growth.

**Disadvantages**

We project the new location of The Lunch Box to be a profitable business decision; however,as with any business, there are disadvantages that must be explored and resolved.

**Product Cost**

Due to the nature of Columbia University’s location - a major city - it may become difficult to fully supply our truck with the adequate amount of necessary produce. Being located in New York can have its obstacles with agriculture and product creation due to severe weather instabilities. Because The Lunch Box depends on locally grown food this may increase the cost of obtaining necessary ingredients to sustain our menu selection. With the shortage of local farms and agricultural land, we must have the support of Columbia University’s Environmental Stewardship program to make connections with farms that extend beyond the City of New York but within a 250 mile radius to combat the cost of delivering from greater distances (Environmental Stewardship, 2015). Staying within this distance can ensure that our goal of same day delivery and freshness are accomplished.

Additionally, due to the nature of the location, it may become difficult to fully unload our supply of compost. Local Farms and Columbia University’s Environmental Stewardship program (Environmental Stewardship, 2015) may take a majority of our supply; however, we need to be prepared for additional methods of removal. Ultimately, if we set up contractual agreements with ideal purchasers, we can better assess how much compost will be unloaded and how much compost we may need to ship. The least amount of compost we ship will reduce our cost and increase our ability to profit by selling it locally.

**Competition Cost**

We anticipate The Lunch Box being the new era of food trucks in its style, menu content and community purpose; its foreseeable that others will follow. With this notion, we will need to always be aware of all comparable menu items and cost on other trucks. We can combat losing a customer to a look-a-like competitor truck by maintaining lower costing selections and/or maintain market price in addition to the quality of our exquisite food. We undoubtedly will see some attrition with new and similar trucks on location; however, with staying on top of what’s being offered by the second rate competitors, The Lunch Box will supersede and maintain longevity with our aptitude to always offer something different. We can keep the competition in the position of always trying to catch up with us.

**CONCLUSIONS AND RECOMMENDATIONS**

Should the Lunch Box Corporation consider opening a new truck on the Columbia University campus? The main concern in opening a new truck in this location is the cost of products, along with fully being able to unload our compost supply. Since this campus is located in New York, it will be a slight complication maintaining sustainable supplies as well as distributing the compost outside of New York City.

Therefore, we recommend that The Lunch Box begin to make connections with Columbia University’s Environmental Stewardship program and local farms in New York within a 250 mile radius in order to receive goods from a greater distance at a lower cost. Along with helping with shipping costs these cities can help by taking a majority of our compost supply. Once we have achieved these connections and are more comfortable with acquiring and disposing our supplies, we can begin opening The Lunch Box more frequently on the campus. This will also give us knowledge on how to open more Lunch Box trucks on various campuses nationwide.

Before The Lunch Box begins opening on this location, the organization should address the following concerns:

1. We will need to establish connections with Columbia University and local farmers in order to ensure sufficient products and proper yet cost efficient compost disposal.

2. We will also need to consider possible competitor trucks. We can assume that after our arrival on campus there will be other food trucks opening with similar ideas to ours. Therefore, we will need to ensure superior products, service, and convenience opposed to our future competitors.

Although we anticipate a few minor start up complications and also foresee current food suppliers on campus hindering initial sales, we believe that with the quality of our product including sustainable food, which is agriculture that is an integrated system of plant and animal production practices that meet America's need for food and fiber and enhance the natural resources that food growing depends upon. These practices also include an efficient use of non renewables, such as oil and natural gases. This keeps production economically viable and enhancing, both the farmer's and society's quality of life; along with our cost friendly meal prices and the convenience of our pre-order mobile app, we predict that sales will begin to skyrocket and The Lunch Box will prevail higher than our expectations. With these predictions, we believe that we will see a substantial amount of profit coming into The Lunch Box, which will allow us to provide greater donations to the Children’s Hunger Fund Charity (Donate, 2015).

After reviewing our proposal we would like to request a meeting to discuss our findings further.

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