



***Nature's Taqueria***

***Alumni Insider's View Business Plan Competition & Expo 2011***

***Ashley Cabarcas***

**Table of Contents:**

1. *Executive Summary*
  - A. Mission
  - B. Objective
  - C. Keys to Success
2. *Company Summary*
  - A. Company Ownership
  - B. Start-up Summary
  - C. Company Locations and Facilities
3. *Market Analysis Summary*
  - A. Market Segmentation
  - B. Target Market Segment Strategy
    - i. Market Trends
    - ii. Market Needs
  - C. Main Competitors
4. *Strategy and Implementation Summary*
  - A. Marketing Strategy
    - i. Pricing Strategy
    - ii. Promotion Strategy
5. *Financial Plan*
  - A. Important Assumptions
  - B. Break-even Analysis
  - C. Projected Profit and Loss
  - D. Projected Cash Flow
6. *Appendix*



## **Executive Summary**

This business plan was created to attract and secure investors. *Nature's Taqueria* is a promising franchise that offers enormous potential in the food truck business of New York City. Although this business is in the stages of development, there are two main reasons as to why *Nature's Taqueria* will be successful.

First is the lack of direct competition (other mobile food trucks exist, however, none are offering healthy and organic alternatives), the second is the high demand for a product like this in New York City. With a weakened economy, consumers are looking for culinary foods without paying the fine dining price tag. According to MobileFoodNews.com, an online publication that's a trusted resource to owner/operators and vendors in the industry, "In some cities, like L.A., Austin and New York, food trucks are quickly becoming an established part of the happening restaurant scene. It won't be long before it's common place for Fodor's and Zagat to list food trucks as 'not to be missed' recommendations." <sup>1</sup>

### **1.A. Mission**

*Nature's Taqueria (NT)* will establish itself as the premier casual organic Mexican dining experience in New York City while maintaining uncompromising principles as it grows to four food trucks. The six following guiding principles will help measure the appropriateness of each of *NT's* decisions.

- Provide a great work environment and treat employees with dignity and respect.
- Embrace diversity as an essential component in the way that *NT* does business.
- Apply the highest standards of excellence to the food production, preparation, and service to *NT's* customers.
- Build lasting relationships with customers and community.
- Contribute positively to the community and the environment.
- Recognize that profitability is essential to *NT's* future success.

### **1.B. Objectives**

- Obtain a strong following of 28,000 plus
- Reach positive net profit in first quarter
- Become a market leader in New York City
- Average \$30,000 plus in revenues monthly
- Increase annual sales between 0 – 5% in first three years of operation

### **1.C. Keys to Success**

- Location, Location, Location.
- Obtaining bank financing at reasonable interest rates, and securing individual investors.
- Seeking the most experienced and distinguished organic farm distributors.
- Finding and hiring qualified motivated employees.
- Providing extraordinary food with unparalleled taste.

**Company Summary**

*Nature's Taqueria stays true to its name by only using the finest and freshest organic ingredients to produce delectable Mexican styled tacos. The hallmark to our unique style is combining our Mexican heritage with nature's ingredients and serving popular areas of New York City during their highest peaks.*

*Our homemade organic tortillas offer a one-of-a-kind taste to our Mexican tacos. Using only the most seasonal organic ingredients, our menu varies in flavors from hot peppers to sweet fruits. Nature's Taqueria's superior taste is charbroiled cooking with succulent organically bred chicken, tender organic steak, and flavorful organic vegetables and fruits. At Nature's Taqueria there is a taco for everyone in every community!*

**2.A. Company Ownership**

*Nature's Taqueria will serve as a corporation with Ashley Cabarcas as president. At the moment, Nature's Taqueria is looking for investors with the intention to offer financial support with no interest in any type of ownership. Nature's Taqueria is willing to make a 3% priority return to all shareholders on their investment.*

**2.B. Start-up Summary**

*Nature's Taqueria has estimated overall start-up costs of about \$180,000. The numbers in the start-up cost table are meant to reflect this estimate. The allocation into each category may not be exact, but the approximate costs have been estimated slightly higher than the current prices of the mobile food vendor market and the organic market. Overestimated costs will leave room for miscalculations so that funding will be available and will ensure that everything runs smoothly.*

**Start-Up Expenses**

Requirements		
Food Truck	\$34,995	(Used & Fully Equipped)
Food	\$5,000	
Equipment	\$3,000	
Legal	\$5,000	
Brochures	\$1,000	
Promotional	\$0	
Insurance	\$2,400	
Food Mobile Insurance	\$3,000	
Permits/Licenses	\$2,000	
Other (Gas & Water)	\$460	
<b>Total Start-up Expenses</b>	<b>\$56,855</b>	
Start-up Assets		
Cash Required	\$75,000	
Start-up Inventory	\$5,000	
Other Current Assets	\$0	
Long-term Assets	\$42,995	
<b>Total Assets</b>	<b>\$122,995</b>	
<b>Total Requirements</b>	<b>\$179,850</b>	

**Start-up Funding**

Start-up Expenses to Fund	\$56,855
Start-up Assets to Fund	\$122,995
Total Funding Required	\$179,850
Assets	
Non-cash Assets from Start-up	\$47,995
Cash Requirements from Start-up	\$75,000
Additional Cash Raised	0
Cash Balance on Starting Date	\$75,000
Total Assets	\$122,995

**2.C. Company Locations and Facilities**

The *Nature's Taqueria* truck will be traveling throughout Manhattan and Brooklyn all week long. The schedule below is a rough schedule, however exact details on locations will either be posted on the home page of *Nature Taqueria's* website, as well as via Facebook, Twitter, and Tweet.it.

The use of social media will not only help attract a larger target audience, but it will also be an inexpensive way to advertise and promote *NT*. The use of social networking will also help retain a loyal customer base. According to the Wall Street Journal, a mobile food vendor who owns both a vending truck and a restaurant makes 50% profit on sales from the vending truck vs. 10% from his restaurant. <sup>2</sup>

- **Monday:** Midtown East
- **Tuesday:** Midtown West
- **Wednesday:** Flatiron District
- **Thursday:** Midtown West
- **Saturday:** Downtown/Brooklyn

The image shows a screenshot of the Tweet.it website. At the top, it says "Tweet.it The easiest way to find a mobile food vendor near you in NYC." Below this is a map of New York City with several location pins for mobile food vendors. To the left of the map is a list of tweets, including one from "EddiesPizzANY" and another from "Nature's Taqueria" about their location in the Financial District.

The image shows a screenshot of the Nature's Taqueria Facebook page. The page header includes the Facebook logo and search bar. The main content area shows the page name "Nature's Taqueria" and "Restaurant/Cafe". There are several posts from the page, including one about moving to 52nd and 6th Ave and another about their location at 46th St & 6th Ave. The page also shows a "Wall" section with a "Write something..." box and a "Likes" section with 1,173 people listed.

## **Marketing Analysis Summary**

Market segmentation is described in the next section.

### **3.A. Market Segmentation**

The 2000 Census of New York City/New York says there are currently over 8,008,278 people populating this metropolitan area. Using basic demographic characteristics of age, gender, income, location, food preferences, ethnicity, an estimate of 4,004,139 potential customers was used in developing this plan. 520,641 are ages 15 to 19; 589,831 are ages 20 to 24; 1,368,021 are ages 25 to 34; 1,263,280 are ages 35 to 44; these are the primary target segments that are using social networking applications like Facebook and Twitter.

The locations that were selected for the *NT* truck to make its stops were based on the amount of mobile food vendor traffic those areas receive. Currently those specific routes on those specific days seem to have less food vendor traffic. The locations are diverse in people; however, these are high-populated areas because of the surroundings, such as universities/colleges, apparel stores, and company headquarters.

### **3.B. Target Market Segment Strategy**

The target market for the quick casual mobile food vendor industry is very broad and should incorporate most demographic regions. Almost all ages, genders, races, and incomes should be considered potential customers.

#### **3.B.i. Market Trends**

In 2009 the Job Market Index reported a four-year high rise in entrepreneurship. The food truck phenomenon is the result of people facing unemployment and branching out into their entrepreneurial ideas.<sup>3</sup> This virtual society now relies fully on social networking and blogs to inform them of what is in and what is out. At the moment it seems that food trucks are what is in! Many of the food trucks currently out there are offering gourmet food that traditionally was only offered in high-dining restaurants. But now, gourmet chefs and entrepreneurs alike are taking their gourmet foods and propositions to the street; where a larger target can be reached at a cheaper rate.

#### **3.B.ii Market Needs**

Currently in New York City there are no high-quality, quick organic food being offered. Most of these food vendors use canned foods, lard, and shredded meats. Our food will be 100% fresh prepared using only the finest organic ingredients in front of the consumer's eyes. Our rich and diverse organic menu will allow customers to customize their food accordingly to their preferences (vegetarian – meat eater)

### **3.C. Main Competitors**

El Rey Del Taco – Main location is near 30<sup>th</sup> Avenue and 33<sup>rd</sup> Street in Astoria, New York. “Late-night drinkers are powerless before the “sincronizada” (\$7) – a gooey

melted ham-and-cheese between pressed flour tortillas” – New York Magazine “*Trucks on a Roll*”

The Brothers L&C Latin Fast Food – Main location is near 18<sup>th</sup> Street at Sixth Avenue. “For \$2.50 (or three for \$7), get a double corn tortilla filled with juicy, flavorful shredded pork, beef or chicken.” – New York Magazine “*Trucks on a Roll*”

Red Hook Trucks – Main location is Red Hook Ball Fields, Court St. at Bay St., Red Hook. “The tacos, pupusas, and huaraches (all under \$10) that helped reignite New York’s love affair with street food.” – New York Magazine “*Trucks on a Roll*”

Super Tacos – Main location is near 96<sup>th</sup> Street at Broadway and 14<sup>th</sup> Street at 7<sup>th</sup> Avenue. “Try the tlacoyos (\$3): long masa flatbreads stuffed with refried beans and topped, tamale style, with bright-orange spicy pork, sweet chopped onion, lettuce, and cilantro.” – New York Magazine “*Trucks on a Roll*”

Mexicue – Consists of multiple locations covering Downtown Brooklyn and New York City. Mexicue focuses on tacos and sliders; three types specifically: Oak Smoked Short Ribs topped with green salsa, cheddar and salsa fresca, the Smokey Pinto Beans with goat feta cheese, habenero aioli slaw and cilantro, and finally BBQ Beets in a fiery bbq sauce with spiced goat crumbled cheese and watercress. – Foodtrucktalk.com “*Food Truck Of-the-Week!*”

### **Strategy and Implementation Summary**

The next sections will help in understanding the competition, and the ways in which *Nature's Taqueria* plans to gain market share.

#### **4.A. Marketing Strategy**

Advertising costs can overwhelm a new business, so keeping marketing simple and creative will be challenging. Cost effective marketing is one of our keys to success, and fortunately a large portion of it will be taken care of by social networking and *NT's* website. Through these mediums *NT* would successfully hit a larger and more specific demographic by selecting which audiences to advertise. For example, Facebook serves as a universal database of people where its members select various things they enjoy and like. *NT* would specifically tell Facebook to search for people who are between the ages of 15 to 44 living in New York City that enjoy organic food and Mexican food.

Besides social networks, *NT* would also use the application *FourSquare* where *NT's* customers would specifically check-in to whatever location the *NT* truck would be in and just by checking-in the customer would receive promotional discounts at the moment of purchase. This is a great incentive for customers to purchase *NT's* products but also create a brand loyalty and rewards program between *NT* and its consumers.

#### **4.A.i Pricing Strategy:**

All menu items are moderately priced. A typical customer at *NT* would spend between \$6-8 including food and drink. The menu prices will be dictated accordingly to *NT's* overall expenses; however, discounts will be offered throughout to increase customer retention.

**4.A.ii Promotion Strategy**

Our biggest challenge right now is getting our brand out there and creating a buzz, and even though most of our advertising in the latter will be done effectively through online mediums, how can we initially attract customers if they have no idea who we are? Well, we figured the best and most effective way was creating signage and promoting it throughout the communities where the truck will be making its local stops. Whether it's posting this signage at organic supermarkets, universities & colleges in the surrounding areas, or health centers, we want people in the community to take notice. With a background in graphic design, I would personally be creating this signage.

In the latter, *NT* would be interested in playing an active role in community involvement. As a result *NT* will have special catering opportunities depending on the cause of the event.

**Financial Plan**

The following sections present the financial plan for *Nature's Taqueria*. Year end totals for the first three years are present in each section.

**5.A. Important Assumptions**

The financial plan depends on important assumptions, most of which are shown in the following table. The key underlying assumptions are:

- We assume that the economy gets back on its feet and returns to normal, after the current recession.
- We assume access to equity capital and financing sufficient to maintain our financial plan as shown in the tables.

**General Assumptions**

		Year 1	Year 2	Year 3
		1	2	3
Plan Month				
Current Interest Rate	10.00%	10.00%	10.00%	10.00%
Long-term Interest Rate	7.00%	7.00%	7.00%	7.00%
Tax Rate	30.00%	30.00%	30.00%	30.00%
Other	0	0	0	0

**5.B. Break-even Analysis**

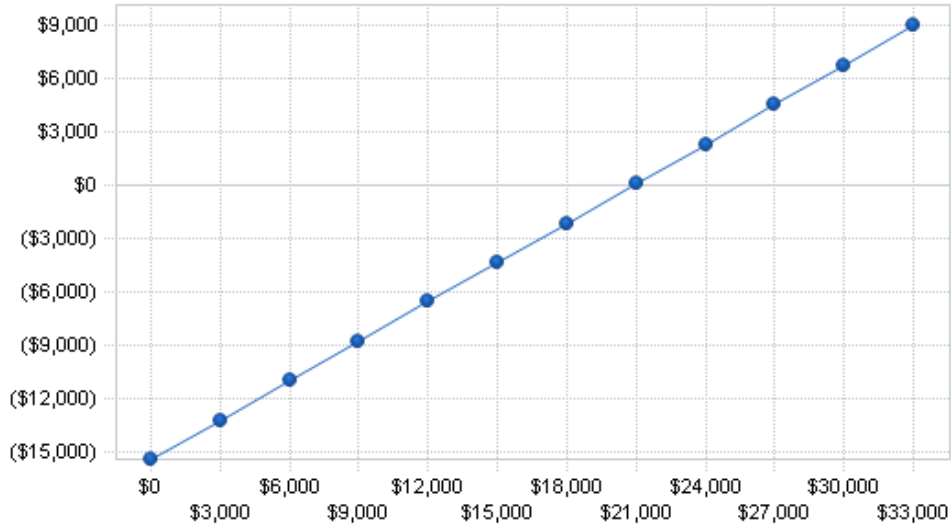
The break-even analysis is based on planned fixed costs estimates.

**Break-even Analysis**

Monthly Revenue Break-even	\$20,895
Assumptions:	
Average Percent Variable Cost	26%
Estimated Monthly Fixed Cost	\$15,398



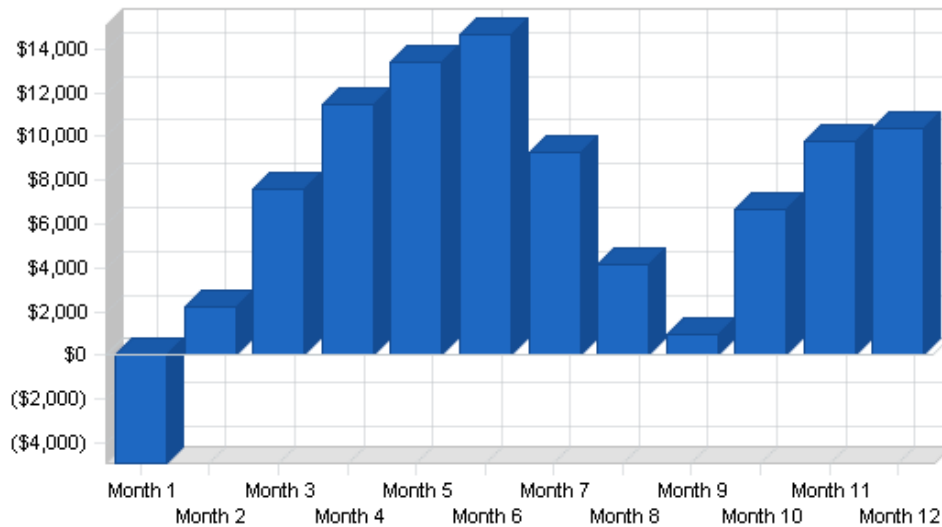
Break-even Analysis



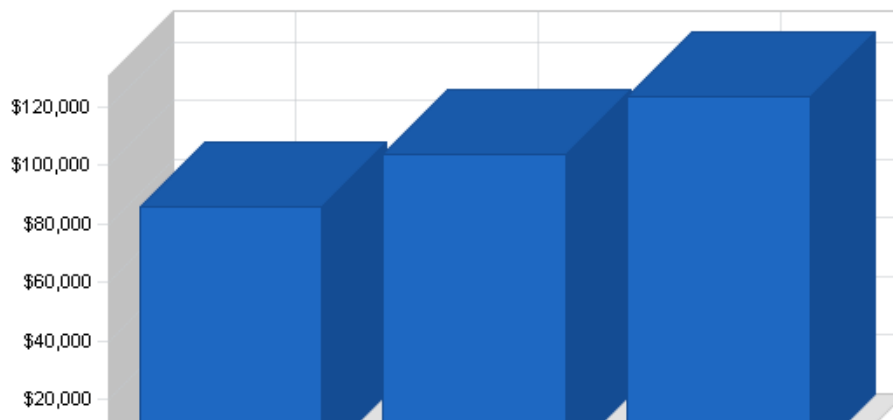
**5.C. Projected Profit & Loss**

In order to not underestimate costs, the costs calculated are considerably higher than what *NT* would most likely be experiencing.

Profit Monthly

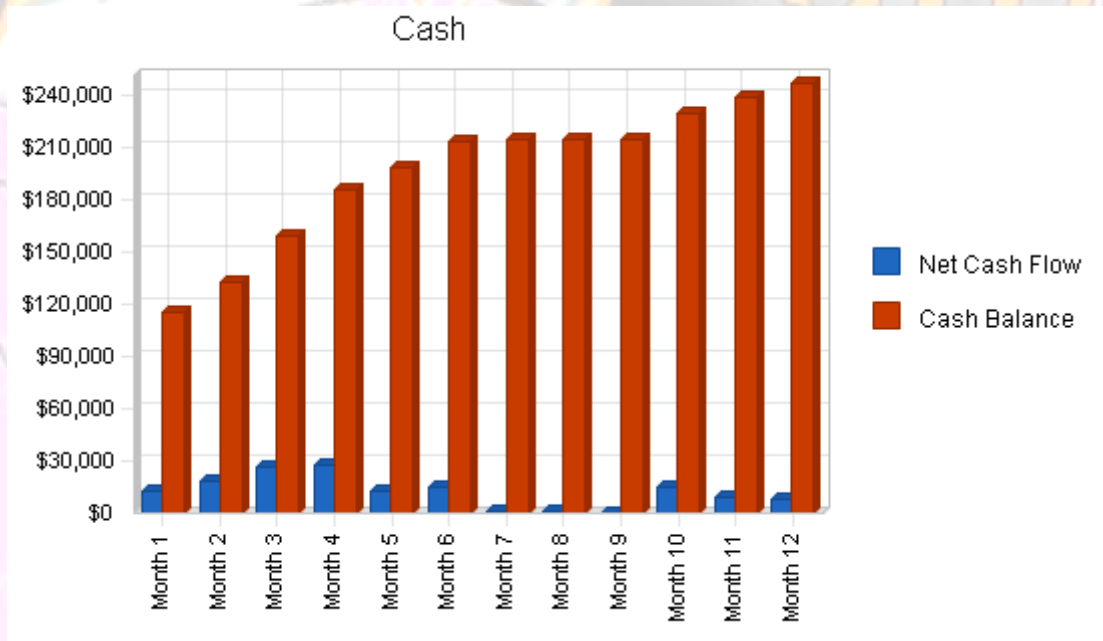


Profit Yearly



### 5.D. Projected Cash Flow

In the following chart it is imperative to note the importance of having cash on hand. If the company was to run into any problems the cash on hand will ensure that the business stays running.



**Appendix**

1. <http://www.mobilefoodnews.com/2011/01/“taking-it-to-the-street”---the-food-truck-revolution/>
2. <http://online.wsj.com/article/SB125079598384547231.html>
3. <http://www.theticker.org/food-truck-vendors-on-the-rise-throughout-the-u-s-1.2379621>
4. <http://online.wsj.com/article/SB10001424052970204456604574201934018170554.html>
5. [http://www.msnbc.msn.com/id/37400996/ns/business-small\\_business/](http://www.msnbc.msn.com/id/37400996/ns/business-small_business/)
6. <http://businessonmain.msn.com/browseresources/articles/growthstrategies.aspx?cp-documentid=25662234&source=bingvideo>
7. <https://www.openforum.com/idea-hub/topics/money/article/food-truck-envy-should-you-jump-on-this-hot-food-trend-elaine-pofeldt>
8. <http://cgi.ebay.com/ebaymotors/FOOD-TRUCK-CUSTOM-FOOD-TRUCK-CATERING-MOBILE-KITCHEN-/280630145917?pt=Commercial Trucks&hash=item4156dc337d#ht 3219wt 1007>
9. [http://www.agmrc.org/commodities\\_products/livestock/beef/organic\\_beef.cfm](http://www.agmrc.org/commodities_products/livestock/beef/organic_beef.cfm)
10. <http://www.openforum.com/idea-hub/topics/innovation/article/the-true-cost-of-the-food-truck-business-judith-aquino>
11. [http://newyork.grubstreet.com/2009/08/users\\_guide\\_how\\_to\\_start\\_your.html](http://newyork.grubstreet.com/2009/08/users_guide_how_to_start_your.html)
12. [http://factfinder.census.gov/servlet/QTable?\\_bm=y&-qr\\_name=DEC\\_2000\\_SF1\\_U\\_DP1&-ds\\_name=DEC\\_2000\\_SF1\\_U&-lang=en&-geo\\_id=16000US3651000](http://factfinder.census.gov/servlet/QTable?_bm=y&-qr_name=DEC_2000_SF1_U_DP1&-ds_name=DEC_2000_SF1_U&-lang=en&-geo_id=16000US3651000)
13. <http://nymag.com/restaurants/cheapeats/2010/67139/index1.html>
14. <http://www.foodtrucktalk.com/category/new-york-food-trucks>
15. <http://www.foodtrucktalk.com/food-truck-maps-report>
16. [http://www.organicdirect.com/organic-fresh-fruits-vegetables-organic-fresh-vegetables-c-14\\_85\\_79.html](http://www.organicdirect.com/organic-fresh-fruits-vegetables-organic-fresh-vegetables-c-14_85_79.html)