

**An innovative food truck chain, strategic planning inspired  
from the lean start up methodology**

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## **Apresentação do Projeto (Portuguese abstract)**

Suportada pela abordagem Lean , o Projecto apresenta um modelo de negócios de uma nova marca de Food Truck, inicialmente a ser lançada na Bélgica. Foodies' TruckZ é a marca sugerida para um novo modelo de negócio de Food Truck que procura inovar alavancando economias de escala, sobretudo em Marketing, e através de uma frota co-propriedade das carinhas food truck. Neste modelo de negócio a partilha no investimento do camião, na comunicação e outros aspectos de marketing e das operações, permite a quem gere as operações de cada camião uma abordagem menos arriscada pelo menor investimento inicial e uma marca global entre vários camiões.

A idéia é criar uma frota de co -propriedade caminhões de alimentos entre Foodies ' TruckZ e empresários de caminhões de alimentos (os chefes de cozinha) que serão geridos também em partilha pelos Chefes (na preparação do menu) e a Foodies ' TruckZ com o responsabilidade na concepção, monitorização, consultoria de marketing, a análise dos mercados e estudos, a criação de menus e otimização, o trabalho administrativo e o lobbying da administração e outras operações possíveis de serem transversais aos vários camiões. A vantagem competitiva da Foodies TruckZ será seu potencial significativo de economia de escala, em comparação com os proprietários individuais de caminhões de alimentos como resultado de:

- uma rede otimizada de abastecimento
- partilha de concepção e preparação dos menus e cozinha
- partilha de espaço de escritório
- marketing e comunicação em sinergia
- partilha do conhecimento do mercado
- lobbying e networking

## **Project Presentation (English Abstract)**

Foodies' TruckZ is an innovative food truck chain business that leverages economies of scale where market expertise builds a strong and profitable co-owned fleet of Food Truck businesses.

It offers a solution by:

- Solving food truck entrepreneurs' frustrations by allowing them to start their business with a less risky, less expensive and seamless approach
- Leveraging economies of scale in sourcing, marketing and management
- Developing an internal expertise of the food truck industry for operation management, regulations and marketing management of the business

The idea is to create a fleet of co-owned food trucks between Foodies' TruckZ and food truck entrepreneurs (the Chefs). The operation will be managed physically by the chefs, while Foodies' TruckZ will be responsible for back office supervision. This structure will allow for a faster and more expandable business model.

Foodies' TruckZ will act as a strategic advisor and decision maker for the food trucks operations. The company will manage: the operation optimization, the marketing and communications, the markets analysis and studies, the menu creation and optimization, administrative paper work and administrative lobbying. While the Chefs will make sure that their food truck day to day operations run smoothly and deliver the best product to the customers.

Foodies TruckZ major competitive advantage will be its potential for significant economy of scale in comparison to solo food truck owners, as the result of:

- an optimal supply network
- shared preparation kitchen space
- shared office space
- marketing and communication synergies
- shared market knowledge
- shared lobbying and networking

In gratitude to my thesis supervisor Maria Conceição Santos. Thank you to my friend and future partner Nicolas Gerin for opening my mind to the Lean Startup. Thank you to the academic staff of ISCTE for allowing me to develop my marketing and entrepreneurial ambitions.

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## **I. Executive Summary**

The changing economic environment is one of entrepreneur main challenge and opportunity. Eric Ries recent research on the Lean Startup (2011) tries to provide an alternative approach to create a business. The Lean Startup aims to chase any waste from the business creation process using the “Build-Measure-Learn feedback loop” tool the organisation will be able to create a flexible and scalable Business Model. This approach as became a full part of the entrepreneurial scheme with companies has big as “Procter and Gamble” starting to develop innovation strategies similar to the lean Startup (Brown, 2010).

This final project was written as a conclusion to the Master of Science in marketing program at the ISCTE Business School (Lisbon). This thesis entitled “An innovative food truck chain, strategic planning inspired from the lean start up methodology” aims to provide future entrepreneurs a clear vision of the strategic planning tools available to create their business and to bring them an illustration of a Food Truck Chain business planning based on the Lean Startup methodology.

To achieve this goal a critical literature review of the existing strategic planning tool available to entrepreneurs and an analysis of their main differences, strengths and weaknesses was conducted. This showed Eric Ries (2011) approach innovative strength as an alternative way to create a new business without overexposing entrepreneur to important financial risk. The following major differences were identified in comparison between the Lean Startup approach and classic business planning: the lean startup avoids the practice of market studies and financial forecasting; this more practical approach focuses on collecting solid “validated learning” data directly from the market.

The literature reviews shows that the Lean Startup approach in association with the more classic tool of Business Plan and Business Model Canvas from Osterwalder’s and Pigneur (2011), it becomes a very solid tool to plan the launch of a new venture. In addition the literature review explores some practical Market analysis tool to back the business strategic planning.

This work presents an illustration of a combined Lean Startup approach, Business Planning and Business Model Canvas for an innovative Food Truck chain business called Foodies’ TruckZ. It applies the Lean Startup teaching methods to the classic business planning in order to keep the best of both methodologies.



Foodies' TruckZ is a co-owned Food Truck chain that allows entrepreneurs to invest seamlessly in a food truck at a minor cost. The chain will cover most of the “painful” elements linked to running a food truck business while simultaneously providing essential strategic and operating advisory to increase entrepreneurs’ performance. The following diagram provides a visual representation of the relation between the chain and the entrepreneurs.

Relation between entrepreneurs and Foodies' TruckZ

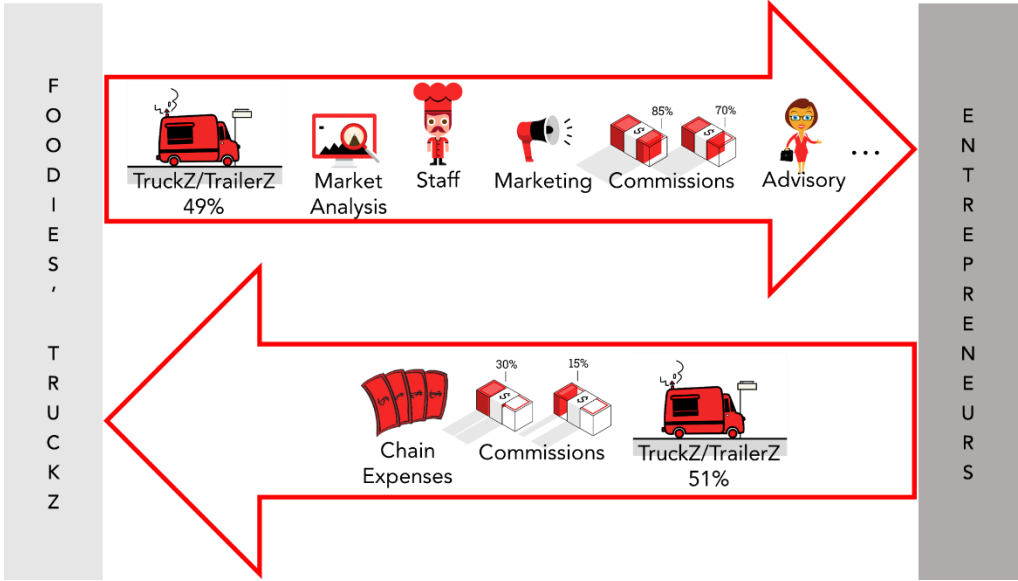


Figure 1 Illustration of the relation between entrepreneurs and the chain

As showed in the upper diagram the entrepreneur invest 49% of the initial cost of the food truck while Foodies' TruckZ invest the 51% remaining. In exchange the entrepreneurs will give the chain a commission (15% for trailers 30% for trucks) and cover their share of the food truck chain expenses (staff, marketing, advisory, legal, office etc.). The chain on its side will provide the operating staff (extra cook), take care of advertising, monitor the market, set up the supply, and make a preparation kitchen and storage available to the chefs.

This structure allows the entrepreneurs to invest in a food truck at lower cost, lower risk and provides them a seamless approach to create their very own food truck. This ownership structure allows to create significant economies of scale by negotiating supplies at better deals, creating marketing synergies, centralizing accounting, regrouping sourcing, sharing preparation and private kitchen space.

The financial analysis of the business model shows great potential for both TruckZ chefs and Foodies' TruckZ organization. With an initial investment of a minimum of 38'000€ the team should be able to set up and run the business self-sufficiently.

The document presented an extensive strategic marketing analysis which should act as the foundation for the venture launch. The business strategic planning of "Foodies' TruckZ conducted in this document suggested 5 key strategic action for the team to take. These were the result of a SWOT. They are:

- Recruiting expert in Food Truck operations
- Creating an MVP (first 3 TruckZ)
- Starting the implementation of the testing feedback loop
- Lobbying local administration to secure high sales potential locations
- Reaching out for high potential Chefs willing to get into the food truck business

These emerge from the 7 key success factors from Porter and PESTEL analyses which were:

- Generating significant economy of scales
- Keeping short order fulfilment time
- Preserving proximity with clients
- Maintaining competitive pricing
- Lobbying administrations
- Reaching different segmentations of the market
- Expanding fast

And from the internal VRIN and value chain analyses which suggested to:

- Create an innovative organization
- Use a Lean Start Up approach
- Expand quickly to generate larger economies of scale

A short market study set the foundation for the financial analysis of Foodies' TruckZ business model. It also allowed the team to confirm their assumption that most food truck don't allow enough strategic management and marketing.

The development and implementation strategy showed that Foodies' TruckZ's mission is to create a better place for food truck entrepreneurs and food lovers.

Finally the financial analysis around Foodies' TruckZ business model revealed that the business is financially viable and could finance its working expenditure after 3 months of operations and for an total investment of 38'000€. The financial analysis confirmed that the business model is viable for both chefs and the chain if Foodies' TruckZ versus Chefs commissions over revenues are 15/85% for trailers and 30/70% for food trucks. It also forecasted that the chain could potentially reach a total revenue of 2,2million € during its third year of operation.

## **II. Summary**

This final dissertation describes and applies an innovative business strategic planning based on Eric Ries's (2011) Lean Startup approach to business creation.

It presents the existing literature of strategic planning and some useful models that are part of it, with a focus on keeping the positive elements of each models. It then applies these model to create an innovative business plan for a food truck chain business based on a co-owned truck structure operated under the strategic supervision of an expert team of managers. The business plan shows an existing opportunity for this venture to grow and survive in this developing industry.

In perspective this work provides business practitioners and a literature exploration of a new innovative business planning methodology that combines Eric Ries (2011) Lean Startup approach with the more traditional tools of a Business Plan (Sahlman, 1997) and Business Model Canvas (Dubosson-Torbay, *et al.*, 2001). Additionally it provides an illustration for a food truck chain business.

### **A. How does it work?**

TruckZ owns a fleet of food trucks which are owned at a majority of 51% by TruckZ and 49% by the food truck chefs. This ownership frame allows TruckZ to keep the strategic leadership on its Food TruckZ fleet. The trucks profits are then split according to the business model.

From a food truck entrepreneur point of view, this is a more accessible and less risky approach. Benefiting from the expert advice of the chain, Chefs should be able to accomplish higher sales performance than they would on their own. Moreover, the highly proactive management and back office work of the chain should guarantee them a significant competitive advantage in comparison to individually owned trucks in terms of larger economies of scale. It is also a seamless investment approach for an entrepreneur, as Foodies' TruckZ will provide them with a lot of the challenging aspects of the business including but not exclusively: ingredients supply, truck/trailer supply, operating staff, market analysis, legal and administrative aspect of the business, marketing and communication.

### **B. The opportunity and risks**

Foodies' TruckZ employs a rather measurable business model with large growth potential in an outgrowing industry. The business model is consistent and agile; therefore, it enables the company to react to the industry changes and quick shifts. The risk is split through the different types of trucks and their geographical location. However, since the trucks are co-owned they represent a relatively small investment compared to potential profits.

The financial risk of starting such a business is relatively small, especially when applying a lean start up approach to the business creation (explained in the literature review).

TruckZ will naturally edge the risk of failure as the business grows and the truck fleet increase and diversify over different market segments and geographical zones.

### III. Literature Review and reference framework

This section intends to define the concepts used to build the Foodies TruckZ business plan. It provides a summary of existing researches relevant to the subject and explores important models used throughout this master thesis.

The first key concepts to be addressed are those relating to the Business Plan, Business Model and Lean Startup Methodology. The second concepts to be addressed focus on environment analysis tools including: Porter, Pestel, VRIN, Value Chain and SWOT. This analysis is backed by models which allow for the creation of a market study questionnaire. This section is followed by a research over the strategic statement. Finally models of development and implementation are reviewed as part of the entrepreneur's strategy guide for success.

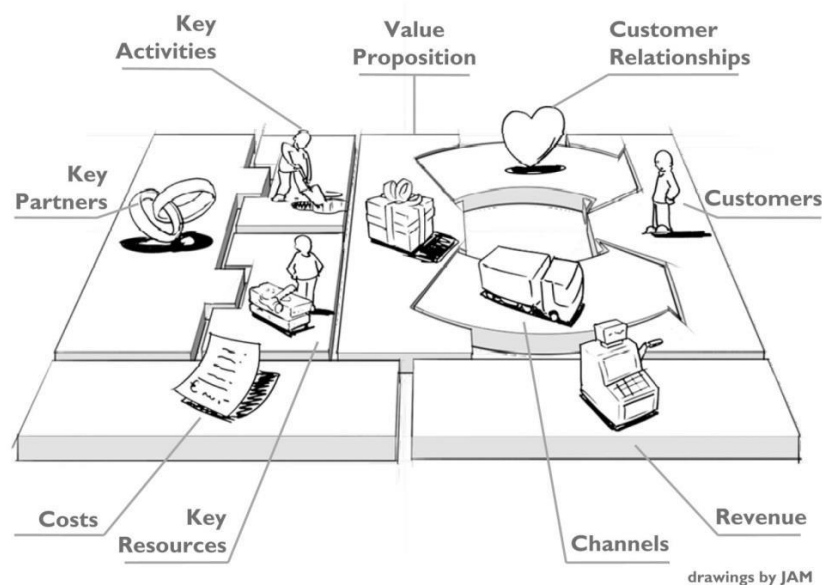
#### A. Strategic Planning tools

A **Business Plan (BP)** should be the roadmap of every entrepreneur, for, “every traveller knows, a journey is lot less risky when you have directions”. A business plan appears to be the **reference tool** to convince an executive board of investors. It should explain four key elements of the business, “the **people**, the **opportunity**, the **context** and the **risk & reward**”. The **people** refers to the humans involved in the project, including outside parties. According to Arthur Rock, world famous venture capital (VC) involved in the formation of Apple, Intel and Teledyne, investors “invest in people, not ideas”. The foundation for this thought being that if you invest in the good people and they appear to be wrong on the product they make a switch. The **opportunity** is the analysis of the venture product environment. This includes the market conditions, the industry's attractiveness, the product value proposition and the competitive environment. The opportunity should be carefully studied in the business plan. It is crucial to be sure that the costumers are “ready to pay for the product and that you have an economically viable access to customers.” The **context** analysis ensures the venture viability in the long run. Trends and arbitrage opportunities are never long term viable opportunities. Finally, the **risk & reward** comprises the financial aspects of the project, studying costs and revenue forecasts over short and mid-term: between 1 and 10 years. (Sahlman, 1997)

Recently, a more modern approach to strategic planning appeared in the scientific literature and in business practices: The **Business Model (BM)** and the **New Generation Business Model**. Such literature offers different definitions of the Business Model; however, we will adhere to the two most accepted ones:

- “The architecture of a firm and its network of partners for creating, marketing and delivering value and relationship capital to one or several segments of customers in order to generate profitable and sustainable revenue streams” (Dubosson-Torbay, Osterwalder, & Pigneur, 2001).
- “A Business Model describes the principles by which an organization creates, delivers and captures value”. “Put simply it’s the Logic by which an enterprise earns its livelihood”.

These definitions already reveal the divergence between the two concepts of Business Planning and Business Modelling. As specified in the definitions above, the Business Model focuses on a design intensive approach. Osterwalder & Pigneur’s models provide an analysis tool to explain “how organizations provide value to customers”. This notion is better known as the Business Model Canvas, or a model that divides a business in 9 interacting components. The Canvas aims to link these 9 components in order to create a value generating system. (Osterwalder & Pigneur, 2010)



*Graph 1 The Business Model CANVAS (Osterwalder & Pigneur ,2010)*

Eric Ries, the author of **the Lean Startup** (2011), reveals the failures of conventional Business Planning. Ries condemns entrepreneurs for providing only the “rosiest” picture of their business in an attempt to convince an executive board of investors. Ries describes the classic approach of Business Planning as a selling tool which fails to challenge entrepreneurs’ assumptions or provide them with guidelines to run their business in the long run. He also criticizes the static dimension of these models, as they are not designed for an agile environment. The Business

Model Canvas does, however, challenge entrepreneurs to help them understand how their business works and how it generates value. Yet, it still fails to provide them with long term manage guidelines. Ries also accuses the BP and BM of being solely based on the entrepreneurs' visions and assumptions. These are the "leap of faith assumptions" that entrepreneurs make about their product and market.

Ries's Lean Startup approach can be seen as "**a scientific methodology for business creation**". It is, in fact, a methodology that aims to help entrepreneurs to create a lean and agile organization where development is based on data verified assumptions. A Lean Startup is a Lean Institution that is able to generate sustainable, disruptive innovation through the implementation of a "**Build-Measure-Learn**" feedback loop. The Lean Startup resides in **five principles**:

1. **Entrepreneurs Are Everywhere:** being a startup doesn't mean your company operates from a garage.
2. **Entrepreneurship Is Management:** startups are institutions that require management; they are not only a product but a "new kind of management specifically geared to its context."
3. **Validated Learning:** startups "exist to learn how to build a sustainable business." Leap of faith assumptions should be scientifically validated through an experimentation process.
4. **Build-Measure-Learn:** startups turn ideas into a product as part of a "build-measure-learn feedback loop". Therefore, after the build step they focus on "measuring how customers respond to the product, and then learn whether to pivot or persevere." A successful startup should always work on accelerating this feedback loop. The shorter the feedback loop the more agile the institution.
5. **Innovation Accounting:** today's environment and data availability allows the use of new more representative and more specific accounting: "innovation accounting". This is the most efficient way to measure the real progress of a startup. Ries accuses "vanity" metrics of showing a false image of a business and therefore recommends relying on actionable metrics to properly interpret data and transform than into learning. (Ries, 2011)



A recapitulative view of these three approaches is proposed hereunder. It creates a clearer depiction of the main differences between these three complementary models.

**Differences between the 3 Strategic planning tools of B.P, B.M. and Lean startup**

	<b>B.P</b> .	<b>B.M</b> .	<b>Lean Startup</b>
Strategic Planning Tool	<b>X</b>	<b>X</b>	<b>X</b>
Convincing tool for investors	<b>X</b>	<b>X</b>	<b>O</b>
Based on non-verified assumptions	<b>X</b>	<b>X</b>	<b>O</b>
Based on validated learning	<b>O</b>	<b>O</b>	<b>X</b>
Visual Tool	<b>O</b>	<b>X</b>	<b>X</b>
Agile, reactive methodology	<b>O</b>	<b>O</b>	<b>X</b>
Innovative methodology	<b>O</b>	<b>X</b>	<b>X</b>
Evaluated via “vanity metrics”	<b>X</b>	<b>X</b>	<b>O</b>
Evaluated via “actionable metrics”	<b>O</b>	<b>O</b>	<b>X</b>
“Build-Measure-Learn” Feedback Loop	<b>O</b>	<b>O</b>	<b>X</b>
Long term development tool	<b>O</b>	<b>O</b>	<b>X</b>
Financial Analysis	<b>X</b>	<b>X</b>	<b>X</b>
Financial forecasts	<b>X</b>	<b>X</b>	<b>O</b>

*Table 1 Visual summary of the different strategic planning elements*

The methodology chosen for this project's strategic planning will be a consensus among these three approaches. The suggested strategic planning tries to include all positive aspects of the three approaches.

Thus, the strategic planning will follow a "conventionnal" structure while simultaneously incorporating the Lean Startup and Business Modeling key elements. Therefore, this "innovative business plan" is divided into five main chapters:

- **Market analysis** which includes both an internal and external environment analysis
- **Market study** which lays the foundations of the entrepreneur's leap of faith assumptions (the loop zero of the build-measure-learn feedback loop).
- **Development strategy** which provides a strategic vision of the business using strategic tools.
- **Milestone planning** which allow the team to visualize what is coming next and provides a roadmap of the targeted achievements
- **Financial study** provides a first look at the potential financial viability of the business model. It focuses on costs budgeting and quickly projects the potential financial results of the company according to the leap of faith assumptions which are based on the market study. These should not be seen as forecasts.

## **B. Environment analysis tools**

The strategic planning of this project will require an attentive investigation of the institution's external environment. This will be based on two major models: the Porter analysis and the PESTEL analysis.

**Porter's model** aims to define an industry structure. This is particularly useful when studying the external environment of an institution. Porter's model defines the industry's structure and values its attractiveness in terms of "competitive intensity". A postulate of Porter's model states that the fundamental mission of an organization is to obtain a competitive advantage, where competition is define as "any power to harm one's capacity to generate profit or to limit its competitive advantage". Porter's model focuses on **identifying 5 forces** in the environment:

- threat of New Entrants,
- threat of Substitutes,
- the Bargaining power of Buyers,
- the Bargaining power of Suppliers,
- the Industry's Rivalry

The Porter model aims to list and classify these forces so that the manager can identify the “**Key success factors**” of his environment. These are the strategic elements that the organization must obtain to gain a competitive advantage. (Porter, 1982; Johnson et al., 2011)

**PESTEL’s model** aims to influence the large influence variables that impact all industry players. These are classified into **6 major** environment influential **variables**:

- Political: these highlight the power of government and public powers.
- Economical: these are the economical macro-economic constrains.
- Sociological: these are the cultural and demographic variables that might have an impact to the organization.
- Technological: these are the technological breakthrough, the innovations around an industry that might be game changers.
- Environmental: these are the ecological aspects that influence a market
- Legal: these are the legislator potential restrictions or norms imposed to the market.

PESTEL’s analysis should always include an identification of the changing elements that have a potential, significant power to impact the industry’s structure. These are called “**pivot variables**”. (Johnson *et al.*, 2011; Thomas, 2007)

In addition to this external investigation, two other models will be applied to diagnose the institution strategic capacity: the Value Chain analysis and the Value Rare Imitable Non-substitutable (VRIN) analysis.

The **Value Chain analysis** was developed by Porter in 1985; it describes the steps that occur within an organization to create value for their customers. This analysis relies on a company description based on “a set of activities performed to design, produce, market, distribute and support its products”. The analysis aims to identify the “**unicity factors**” of an institution. These are the company controlled elements that are a source of differentiation from the competition and generate value. These elements are split into two segments:

- The **primary activities** directly involved in the value creation:
  - **Inbound logistics**: the supply material involved in the product manufacturing that are sources of value to customers.
  - **Operations**: efficient operations clearly add values to the final product by avoiding manufacturing defect, reducing retail price...

- **Outbound logistics:** adding value source can be reducing response time to orders
- **Marketing & Sales:** great marketing can be source of value and competitive advantage. It is important to convince customers of the offer's value.
- **Services** are part of the value proposition.
- The **support activities** contribute to the effectiveness and efficiency of the primary activities:
  - **Firm infrastructure:** information systems, finance, planning, and quality control.
  - **Technology & development**
  - **Human Ressource (HR) management:** recruitment, training, development and motivation of individuals.

(Lambin *et al.*, 2008; Johnson *et al.*, 2011)

The analysis is presented in comprehensive, visual diagram hereunder.

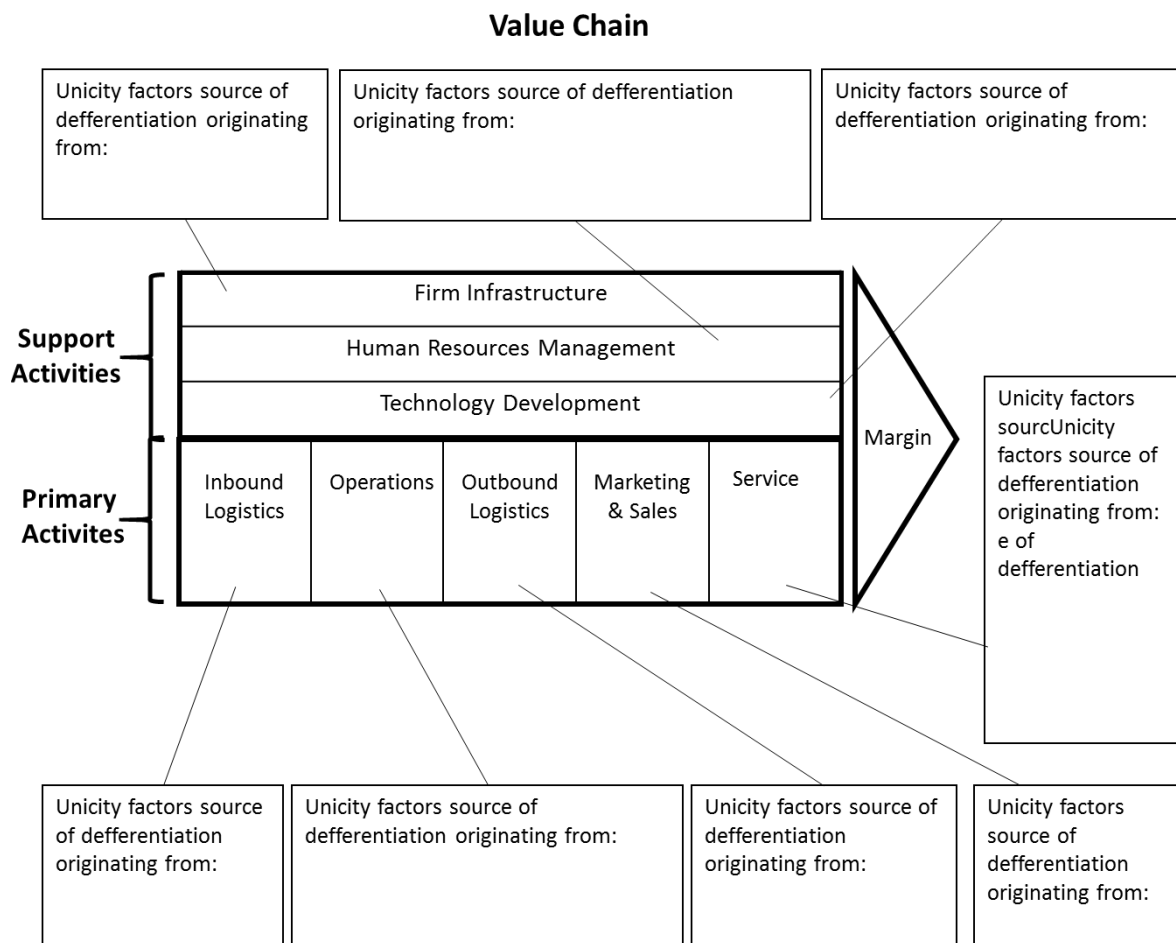


Figure 2 Value Chain canvas inspired from Lambin & de Moeloose (2008) and Porter (1985)

The value analysis will help us determine the internal venture environment and determine its strengths and weaknesses.

The **VRIN analysis** identifies the **Value, Resources, Imitable** and **Non-substitutable** components of an organization and its product. The four elements are presented into a table as follow (Johnson *et al.*, 2011; Lambin *et al.*, 2008):

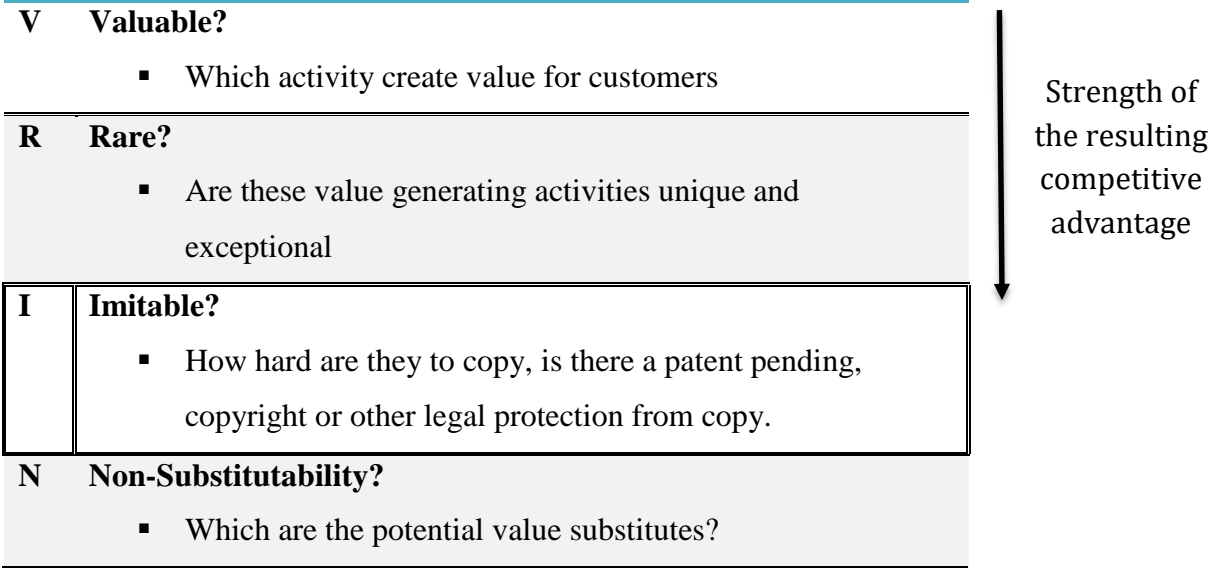


Figure 3 VRIN diagram canvas inspired from Johnson *et al.* (2011)

The **Strength Weaknesses Opportunities and Threats (SWOT)** model is a visual tool that summarizes the external environment KSF and Pivot variables from Porter’s and PESTEL’s models (Threats and Opportunities) and the internal environment Strengths and Weaknesses obtained through the Value Chain and VRIN analysis. The SWOT analysis aims to establish an adequacy between the organization’s strategic capacity and the key success factors of its environment by taking action on one of these. This means to either secure new resources/competencies, reaching a new market or “revolutionizing” the market practices. The SWOT can be seen as an intuitive presentation of the external and internal environment analysis. It provides a wider view of Porter, PESTEL and the strategic capacity analysis. The following graphic suggest a visual presentation of the model. (Johnson *et al.*, 2011)

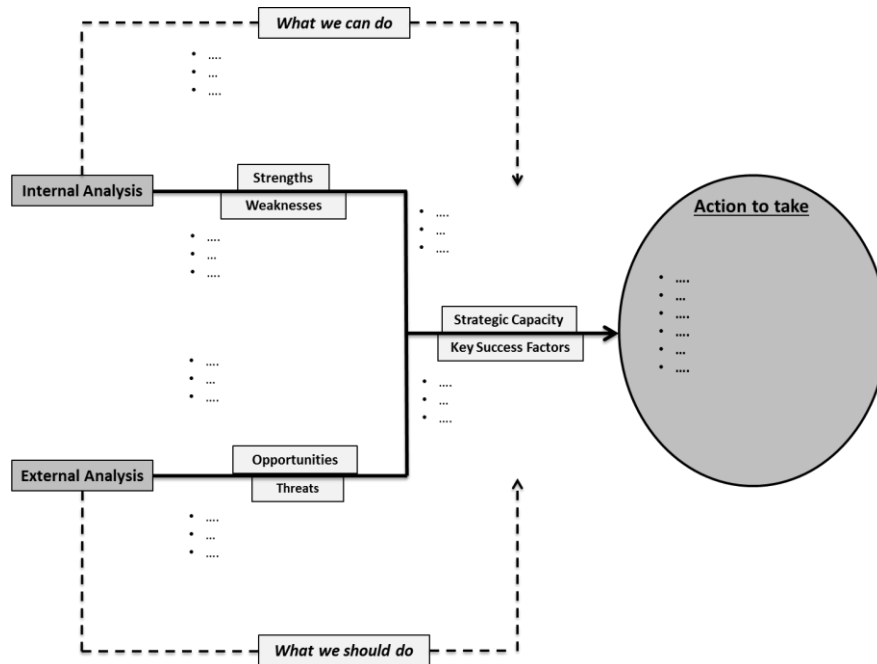


Figure 4 SWOT diagram canvas inspired from Johnson et al. (2011)

After concluding the environment analysis, the various strategic planning tools suggest that the venture founders plan proper **business objectives and milestones**. These are usually represented in the form of key objectives as way of minimizing the list timeline. Within these you should find the key elements of the **development strategy** and the **implementation strategy**.

### C. The Market Study

The market study is a useful tool when building the team’s first “leap of faith assumptions”. Though according to Eric Ries it should only serve as an indication to guide the entrepreneur team’s leap of faith assumption founding the MVP. The survey can’t be viewed as possible validated learning as it can be biased in comparison to “validated learning”. (Ries, 2011)

Survey method should follow strict recommendation. Commandments to the writing of good survey questions involve:

- “Subtle wording differences can produce great differences in results”
- “Questions placed out of order or context should almost always be avoided”
- “Be specific in what you want to know”
- “Asking about specific jargon and acronyms is confusing”

- “Respondent may not want, or may not be able to provide the information requested”
- “Do you have all the options covered”
- “Unbalanced scales may be appropriate for some situations and biased in others”
- “Never ask two questions simultaneously”
- “Answers should always be independent”
- “Long questions should be used wisely”

(Lloyd, 2013)

It is also important to mention the existing disparity between a “questionnaire respondents fill out themselves and one that a professional interviewer administers”. The latter one of these requiring particular guidelines:

- “It should be simple, straightforward, and logical.”
- The questionnaire “should assume the respondent has an eight-grade education.”
- “Interviewer-administered questionnaires can easily accommodate skip patterns”.
- “Knowing what questions should be asked early on in the questionnaires, in the middle, or towards the end.”
- “Understanding how to phrase questions.”
- “Being sensitive to the questionnaire length.”

(Kaden, 2006)

Särndal et al. propose a methodology to structure the building of the survey which is summarized by the following graph:

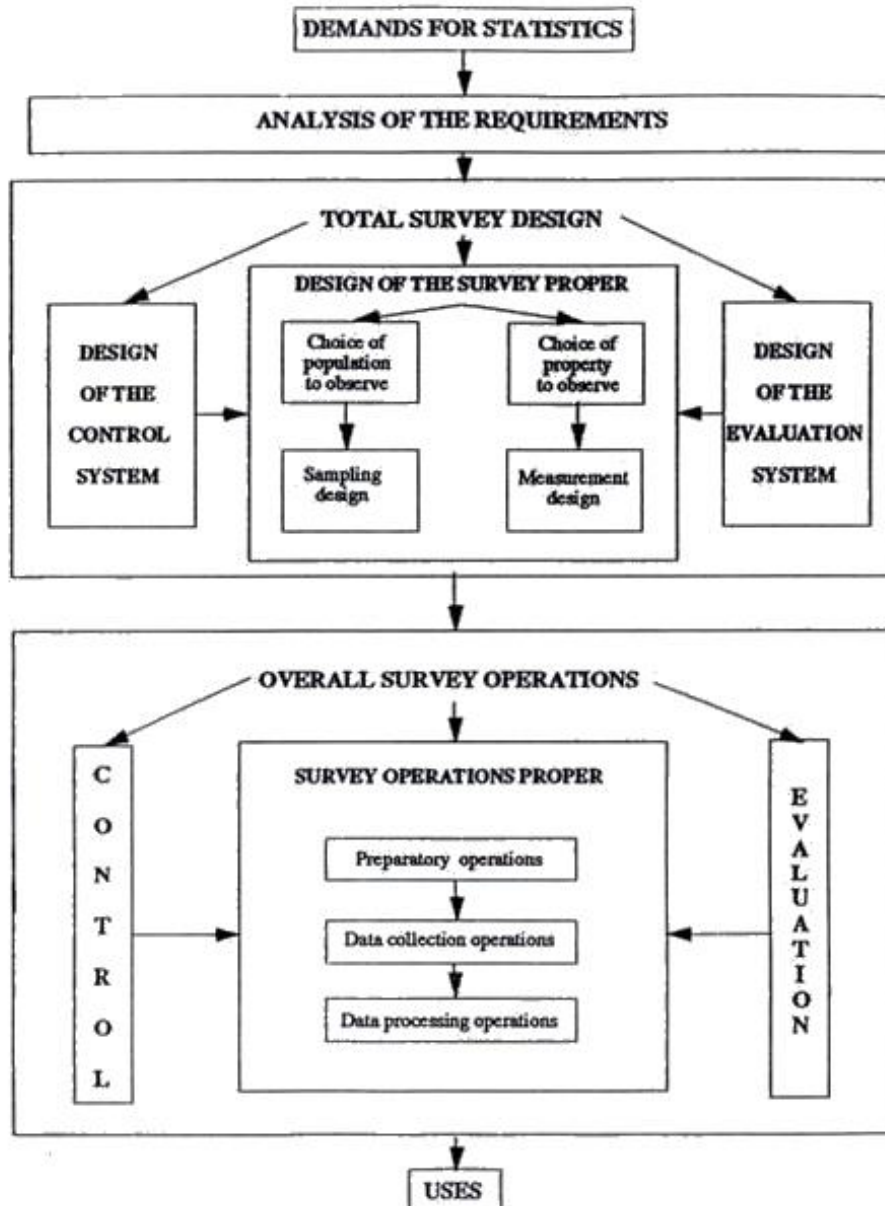


Figure 5 Total survey design process (Särndal et al., 2013)

These tools will allow the creation of a market survey that will then be submit to a sample of Food Truck owners to guide the team leap of faith assumptions.

The strategic statement is a communication and motivation tool (Verma, 2009 in Cady et al., 2011). It includes the "core values and sense of purpose beyond just making money that guides and inspires people throughout the organization and remains relatively fixed for long periods of time" (Collins et al., 1997 in Cady et al., 2011).

The strategy statement will clearly inform decision makers so that they don't have to interpret the company's strategy themselves. The statement should answer the question "how does the



organization make a difference?” (Montgomery, 2008). The strategy statement is sometimes referred to as an “identity statement,” “mission statement,” “value statement,” etc. Note that all such terminology serves to summarize the strategic intention of the organization. (Cady et al., 2011)

Johnson’s et al. divides this “identity statement” into three major elements: Mission, Vision and Values:

- The Mission: is the organization’s assertion of its fundamental values; the reason for its existence. It answers such question: “What is our business?” “What would be lost if the organization no longer existed?” “What is our difference?”
- The Vision: is what “the organization’s aspires to become.” The vision is supposed to “aspire and motivate,” as well as answer the question: “what do we want to achieve?”
- The Values: are the commandments, rules or principles which the organization obeys. They “underlie the strategy and define how the organization should act.” They should remain rigid throughout time. (Johnson et al., 2011)

#### **D. Development and Implementation**

The **development strategy** framework should be developed as an analysis of the institution’s **growth engine**. This is the “company’s invisible force that drives its growth.” According to Ries, it “should be designed to keep the startup team focusing on what really matters” (2011).

Three engines of growth are defined in Ries’s approach: the sticky engine of growth, the viral engine of growth and the paid engine of growth.

The **sticky engine of growth** relies on the customers’ retention and is therefore tracked through customer retention rate. In addition an organization relying on this engine should track their attrition or churn rate (“the fraction of customers in any period who fail to remain engaged with the company’s product”). In fact, these companies should achieve a higher retention rate in comparison to their churn rate (compounding rate). (Ries, 2011)

The **viral engine of growth** is based on the fact that customers will spread the awareness of the product. Companies using this growth engine use word to mouth as a spreading tool, making customers acting unintentionally as brand evangelists. Examples of companies using this engine are Tupperware, Facebook, and Instagram. This growth engine can be measured using a viral

coefficient, or the measure “of how many new customers will use the product as a consequence of each new customer who signs up.” This means that a company achieving a viral coefficient above 1 should achieve exponential growth. Note that depending on the organization business model, other metrics can be essential source of growth. Social networking, for example, relies on indirect advertising and therefore should value the time people spend on their platform. Whereas Tupperware should additionally focus on increasing their costumers’ lifetime value. (Ries, 2011)

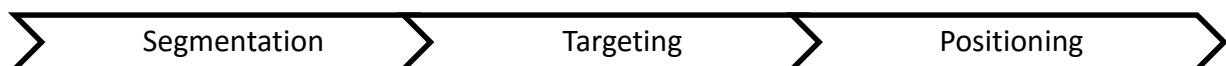
The **paid engine of growth** is the more traditional engine; basically it relies on acquiring new customers based on advertising or commercial investments. Two metrics should measures these organizations performance: the cost of acquiring a new customer (CPA- cost per acquisition) and the revenue each customer brings (LCV-Lifetime customer value). (Ries, 2011)

This leaves the paid engine of growth businesses with two choices: they can enhance their growth by increasing the LCV of each customer or they can reduce their CPA.

The **implementation plan** focuses on creating an **operational marketing plan** and building the right **Build-Measure-Learn feedback loop**. Operational marketing is divided into two analyses: a **strategic marketing** analysis and an **operational marketing** analysis. These are define as:

### Strategic marketing

The strategic marketing analysis studies the market in a three step approach that is explained by this diagram:



- The **segmentation** is “the division of the total market into subsets, called “segments.” Such can be divided in regards to homogeneous view of the needs, behaviors or purchases and may constitute distinct potential markets motivations”. The company can chose to either develop a:
  - Macro Segmentation which identifies the products, market or industry. These are respectively: “a particular solution to a generic problem for a specific client group”; “a solution aggregate which answers a determinate need or a group of client”; “a solution which answers any needs for all client groups”.

- Micro Segmentation which divides the market in a sub-segment of customers valuing similar product attribute cart.
- The **targeting** is the strategic selection of one or more of client segments that the organization wants to range. The targeting can be concentrated or wide depending on the market and strategic objectives of the organization.

(Lambin & de Moerloose, 2008)

- The **positioning** is the development of an operational marketing plan. It is the act of designing a brand and its image in order to differentiate it from competition from a costumer perspective (Ries & Trout, 2000). This operational marketing plan is develop using the 4P's analysis hereunder.

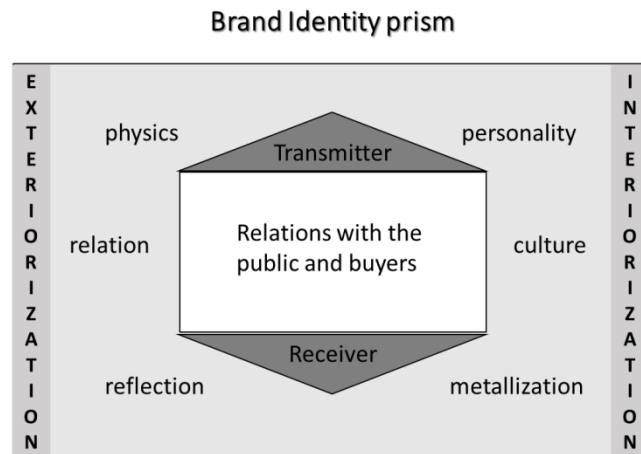
### **E. Operational Marketing and Positioning**

Positioning is typically achieved through a 4P's analysis. This is a study and planning of a company's product, place, price and promotion in accordance with its competitors. The 4P's are defined as follows:

#### **Products or Brand Analysis**

A brand or product both presents specific attributes (tangible and intangible) that represents one of the company's differentiation sources and/or competitive advantage. In order to compare a company's product with its competitors, it is interesting to define whether a product has a set of attributes, called the "**attribute cart**". These are the functional values of a product and the surrounding value adding features that it possesses. These additional features can be split between the essential, necessary features and the other. These are usually presented in an onion shape diagram in which the core represents the basic features, surrounded by the necessary features and finally, the additional features. Another useful tool to analyze an institution product or brand is the product/brand identity prism. It is usually represented as shown in the following diagram. (Lambin et al., 2008).

Another tool used to visualize the brand identity is the brand identity prism. Developed by Kapferer (2004), the prism is presented as follows:



*Figure 6 Brand Identity prism canvas inspired from Kapferer (2004)*

The prism defines the six facets of brand identity:

- **Physics:** physical characteristic of the brand
- **Personality:** human like features; brand’s temperament
- **Culture:** value system, inspiration and reference universe of the brand
- **Relation:** climate relationship inspired by the brand
- **Reflect:** the external image that as it is experienced by the target/customer, even though it does not actually match the target
- **Metallization:** internal mirror of the target/image of the brand’s users manipulation of the product

(Kapferer, 2004)

### **Name**

The name of the company is a sensitive parameter of a venture. It should be carefully studied and chosen. It will support the brand positioning as “the point of attachment between explicit and implicit information conveyed around a product” (Lambin et al., 2008).

The company’s logo is its visual identity. Recommendations to create a logo include:

- **Simple:** a logo needs to be easily remembered and kept in mind. “Logos don’t need to describe what your business does.”

- **Versatile/adaptable:** “Does your logo work well on a billboard, business card, brochure, or t-shirt?”
- **Web friendly:** a logo should be easily adapted into a web button or icon
- **Coherent:** representative of the company’s culture (values and identity)
- **Unique:** a logo must be recognizable among the mass of other existing logos
- **Timeless:** a logo should not become easily outdated

(Schmidt, 2012; des Marais, 2014; Glaser, 2014)

## **Slogan**

The company’s slogan is a short, remarkable and unforgettable catchphrase. It should be used to advertise the product. Commandments in regards to creating a good slogan include:

- Keeping it **short** and **simple**
- Making it **rhyme**
- **Descriptive:** describing what the company offers and its commitment
- **Story telling**
- **Honest** about the organization and/or product.
- **Highlighting** the key benefits

(Cody, 2013; Young Entrepreneur Council, 2013; Smith, 2014)

## **Place**

The place analysis allows the venture to match their offer with the demand. It is sometime necessary to involve third parties to match this offer and demand. The place analysis studies the organization of the involved parties in the product distribution and its channels. (Lambin et al., 2008).

## Price

The price represents the monetary expression of the value customers give to a product (Lambin & al., 2008). It is essential to be able to determine it precisely in order to maximize sales and profit.

## Promotion and communication

A key pillar of the 4P's analysis is the promotion analysis, which studies how a company will promote and communicate its product to the market.

The means of marketing and communications are according to Lambin et al. (2008):

- **Sales power:** “communication « customized » personal and bilateral providing information to the company and is designed to encourage customers to take immediate actions.”
- **Sales promotion:** “incentives that are non-permanent and often locally, strengthen the work of advertising and/or sales force and are implemented in order to generate, with target referred, creating or changing a purchase behavior.”
- External relations or **publicity:** which aims to “establish, by deliberate effort, planned and sustained psychological climate of understanding and mutual trust between an organization and its audiences”
- **Direct marketing:** is the “means of direct sales like direct mail, telemarketing, catalogue sales, online sales, etc.”
- **Media publicity:** “mass communication, paid unilaterally from an advertiser presented itself and designed to support directly or indirectly the activities of the company.”

These means can be developed using the following theoretical frameworks: a **communication plan**, a **star strategy** analysis and a **media plan**.

The communication plan can be based on Harold Lasswell 5 W's **communication plan**: “who says what to whom in what channel with what effect”. Or in the form of a table:

Communication objectives	Messages (what)	Targets (whom)	Means (with)	Evaluation (what effect)

*Table 2 Marketing communication plan inspired from Libaert (2013)*

While the **star strategy** is the identification of the physical treat, the personality and the tone communication of the product or brand should be made on. It is typically presented in the form of a table. (Lambin et al., 2008)

Lastly, the **Media plan** is the study of the respective strengths and weaknesses of the different media adapted to the product or brand. It is also presented in the form of a table.

Medias	Types	STRENGTHS	WEAKNESSES
Daily Press	...		
Magazines			
...			

*Table 3 Media Plan Canvas inspired form Kotler (2006)*

#### **IV. Market Analysis**

In 2012 Intuit estimated that food truck industry revenue in the United States would jump from 650 million in 2012 to 2.7 billion by 2017 (Intuit, 2012). In fact, the Food truck industry has been thriving over the past 10 years, beating recession and showing over 12.4% industry revenue increase over the past five years. In 2014 the U.S. food truck market was worth \$856.7 million, showing 3.5% annual growth over 2013 (IBIS world, 2015; Statistic Brain Research Institute, 2015; Intuit, 2012). In the EU “food trucks have grown at a very strong rate” and according to Fabrice Willot, president of the Belgium Food truck association, the number of food trucks should increase and stabilize by 2020, around 600-700 units for the Belgium market only (Zucchi, 2015).

The U.S. market represents more than 4000 trucks nationwide, with average yearly revenue per food truck of \$290’556 (Statistic Brain Research Institute, 2015). It is interesting to note that U.S. more matured market has already been infiltrated by food chain giants like Jack In the Box, Sizzler and Taco Bell (Jonelle, 2012).

#### **Pivot variables**

PESTEL’s framework allows us to identify TruckZ Pivot variables as follow.

- **Political:** Governments have limited influence over the food truck industry as long as the country remains politically stable and that regulation is enforced consistently.
- **Economical:** the Food truck industry as proved to be solid over the last years despite the crisis. On a macroeconomic level the food industry is still at growth and mobile catering is a high growth potential branch of it. (Intuit, 2012) Regarding the food truck industry’s sensitivity to macroeconomic variable, it should be noted that TruckZ supply cost will highly depend on both the food industry and the energy market. Macro shifts in aliments and energy pricing will directly impact TruckZ costs/pricing.
- **Sociological:** people have proven their interest for food trucks in the U.S.A. and other part of the world. There are no real sociological or cultural drawbacks in regards to the food truck industry.
- **Technological:** the industry’s primary technological challenge is accumulating sufficient energy to exploit the trucks without requiring an external power supply source. Consistent technology already exists with long lasting batteries and fuel cells.



Upcoming innovation will surely optimize these technologies, though no disruptive technology seems to be on the edge of breaking out.

- **Environmental:** the food truck industry doesn't appear to be directly impacted by the ecological environment. Though, as with all industrial endeavors, it does inevitably impact the environment and responsibility should be taken.
- **Legal:** the legislation has significant influence over the food truck market. They have the power to regulate the market's competition and geography through regulations. In this particular market, the legal environment exists as the main drawback for the food truck industry. The Legislative power can therefore be seen as a threat or opportunity depending on the situation. (Jonelle, 2012)

The emerging **Pivot variables** are:

- Legislation of the industry by country and cities
- Energy storage technology
- Energy & Food market industry pricing

### **Key Success Factors**

Porter's analysis identifies the KSF of an industry. In the food truck industry Porter's 5 forces can be described as follows:

- **Threat of New Entrants:** as explained earlier in this document the threats faced by new entrants are characterized by the easiness for new competitors to enter the industry. In the food truck industry the initial investment is limited compared to other industries and the set up time is pretty short: less than 6 months. Therefore, the market presents a high threat for new entrants. TruckZ tackles this threat by focusing on economy of scale to beat competitors in term of margin. Moreover, due to the higher expertise level of the franchise, TruckZ should be able to leverage its marketing and strategic planning expertise to offset competitors. Finally, TruckZ has a higher growth capacity than solo entrepreneurs due to its shared truck ownership structure.
- **Threat of Substitutes:** many substitutes exist for food trucks. The main one is the brick and mortar restaurant, followed by the delivery food services, along with take-away. All of these are tangible threats, with each one presenting distinct characteristics. The restaurants offer a comfortable, sit-down meal experience, but are more expensive and

time consuming in comparison to the trucks. Take away, on the other hand, poses less dissimilarity in regards to the food truck experience. It essentially offers the same experience, but from a brick and mortar establishment. The downside of take away is its lack of mobility (which from the consumer point of view means a less diversified experience). Moreover, take away is, in effect, a pre-existing brick and mortar restaurant offering the option for customers to order food to go. In general, these establishments take more time to fulfil an order; thus, separating it even further from the food truck experience. Finally, delivery food appears to pose the most threats since it is mobile, doesn't consume much time and as a high range of variety. However, it presents the major failure of not being a spontaneous purchase since it requires a delivery time between 30-60 minutes in most cases.

- **Bargaining power of Buyers:** buyers are very powerful opponent in the battle for market shares. They have a significant impact in regards to pricing and value. They will always set pressure on the industry to obtain the best price value they can, depending on the competitors offer.
- **Bargaining power of Suppliers:** suppliers on the other side have the capacity to pressure price of supply materials, though this capacity is quite limited due to the high competitive environment of the food supply industry. Moreover, part of TruckZ value proposition resides in its ability to realize economy of scale in its supply. The bargaining power of TruckZ should therefore grow as TruckZ expand its fleet of trucks.
- **Industry's Rivalry:** the food truck industry is still underexploited in most European cities, meaning that for now the industry's rivalry remains very low. Note that this low rivalry is outbalanced by the low entry barriers of the industry. It is, therefore, important to create barriers for opponents entering the industry by obtaining great locations for the trucks, reducing costs, optimizing margin, as well as diversifying the trucks in order to reach numerous market segments.

This analysis can be summarized into a graphic expressing the different level of each force; consequently, highlighting the most threatening ones and indicating the industry's environment attractiveness.

The emerging **KSF** are:

- Generate significant economy of scales by optimizing the supply chain and leverage synergies between trucks
- Keep short order fulfilment time
- Preserve proximity with clients
- Remain competitive in pricing with direct and indirect competition
- Obtain rights to exploit most profitable locations
- Diversify trucks menu in order to reach more customer segments and diversify the risk

#### **A. Organisation Environnement Analysis (Internal Analysis)**

This section is dedicated to the internal organization environment analysis. This internal analysis identifies the strengths and weaknesses of the environment.

#### **B. Value Chain Analysis**

First, a value chain analysis will allow us to understand the potential sources of competitive advantage within the organization structure and those that are sources of weaknesses.

The following figure details this value chain analysis.

## Value Chain

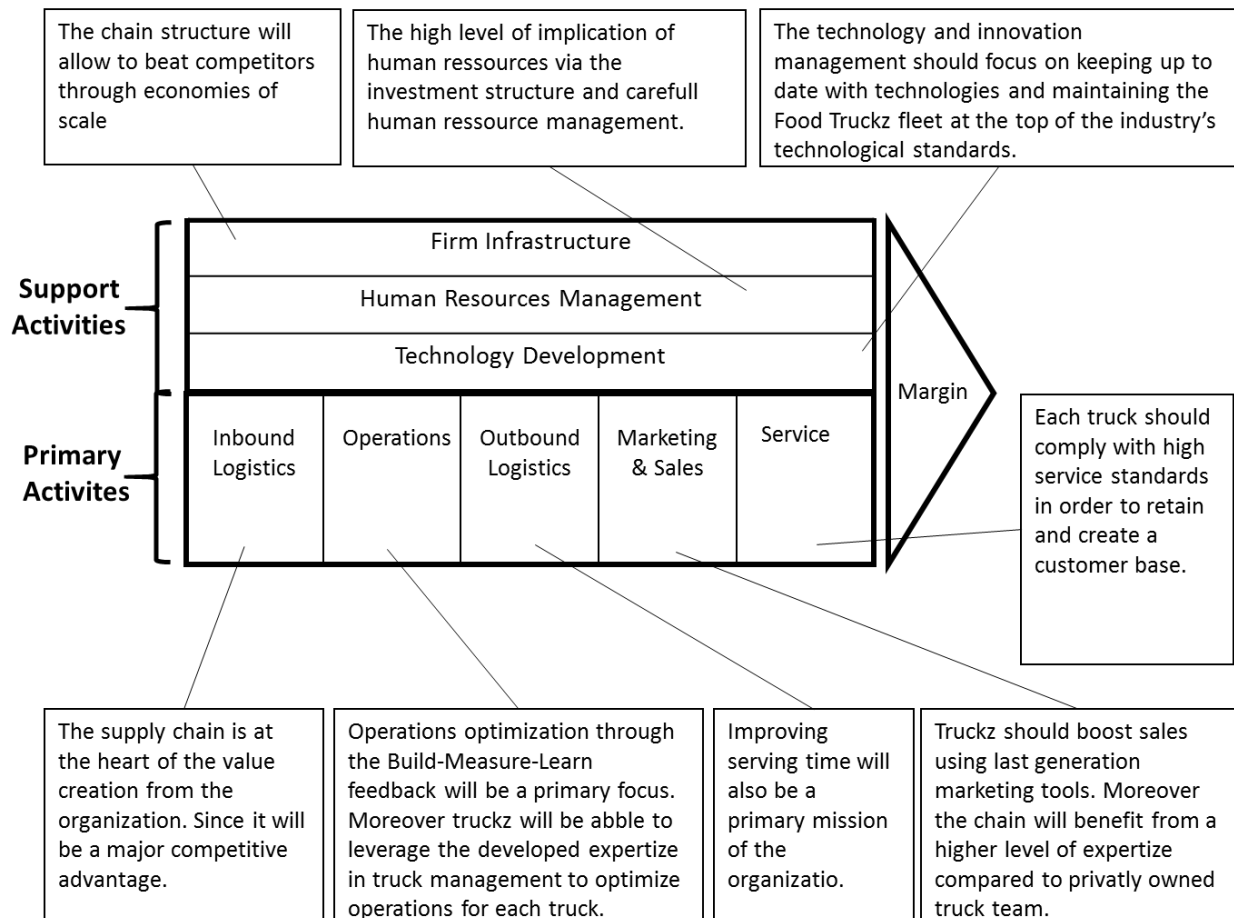


Figure 7 TruckZ value chain inspired from Lambin & de Moelose (2008) and Porter (1985)

As shown in the figure, the major elements that will impact in its value creation will be:

- **The firm infrastructure:** The financial implication of Truckz chefs will provide them with great incentive for success, while allowing TruckZ to enlarge its fleet faster by offering chefs less costly access to a truck.
- **The human resource:** TruckZ chefs should be careful when selecting its Chefs and employees since there are the heart of the company and will be those who carry it to the next level.
- **The Inbound logistics:** This is probably the number competitive advantage from TruckZ. TruckZ supplies will benefit significant economies of scale compared to privately held food trucks; therefore, allowing TruckZ to reach a higher margin (or lower pricing) level through cost reduction.
- **The operations management & outbound logistics:** Operations management will be managed in accordance with the lean startup approach, meaning that every new project

should be considered as a new startup and be carefully developed using the Build-Measure-Learn process. From project to project, as the loop cycles are achieved, TruckZ will become an expert in Food Trucks management.

- **The marketing and sales:** This is a very time consuming time for a Food Trucks owner, as well as a vital element of food truck success that many owners overlook due to their overwhelmingly busy daily life. TruckZ will allow TruckZ chefs to remain separate from this element of the business by managing marketing and sales for them.

All these elements should be viewed as a major strength from TruckZ and its sources of competitive advantage.

### C. VRIN analysis

The Value-Rare-Imitable-Non-substitutable analysis provides a clearer perspective of the potential threat that surrounds TruckZ. These are summarized in the following figure.

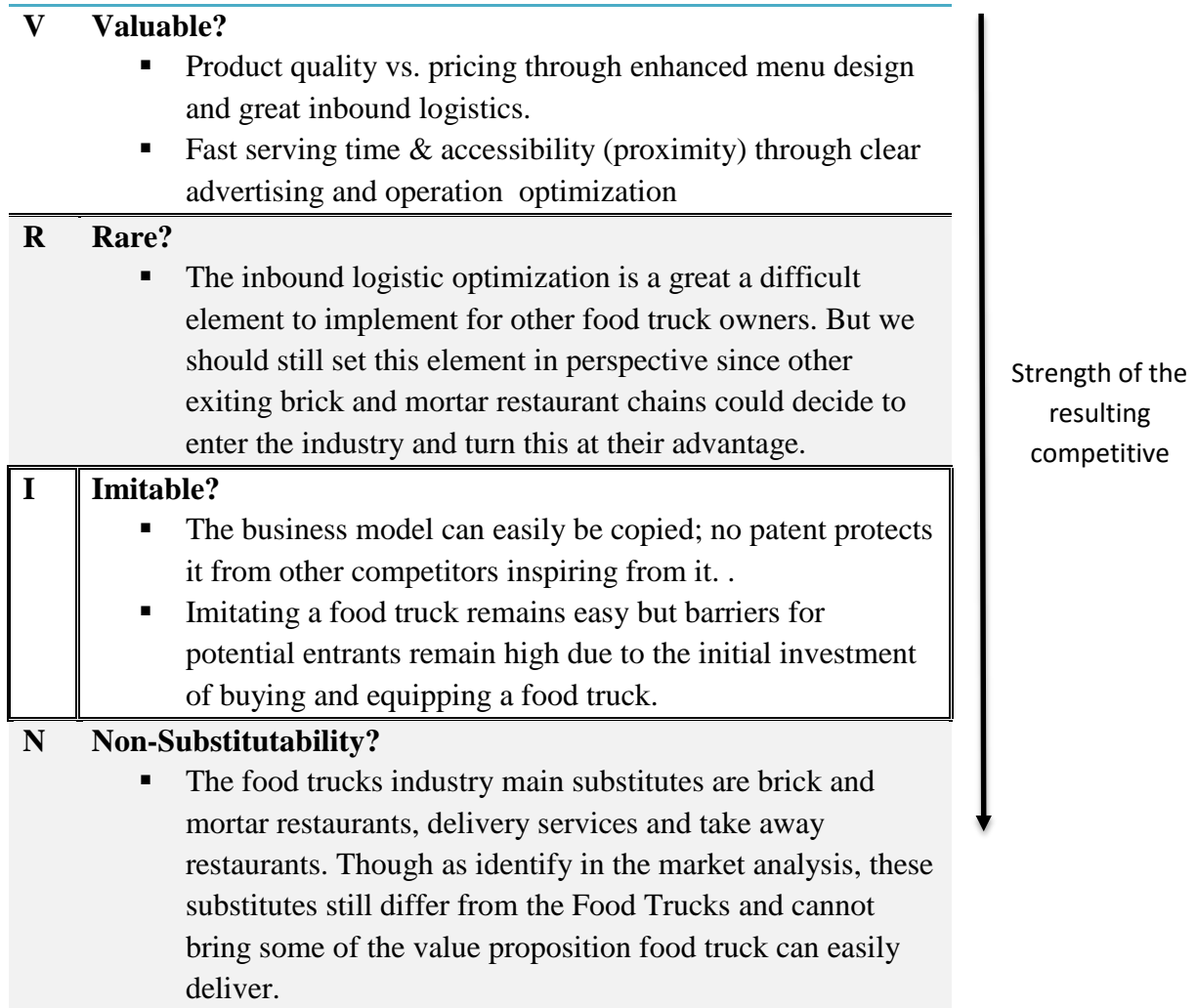


Figure 8 VRIN diagram of TruckZ inspired from Johnson et al.(2011)

## D. Competitive Analysis (SWOT)

The environment study presently provides all of the necessary information to build a SWOT analysis. This analysis is presented using Johnson et al. canvas.

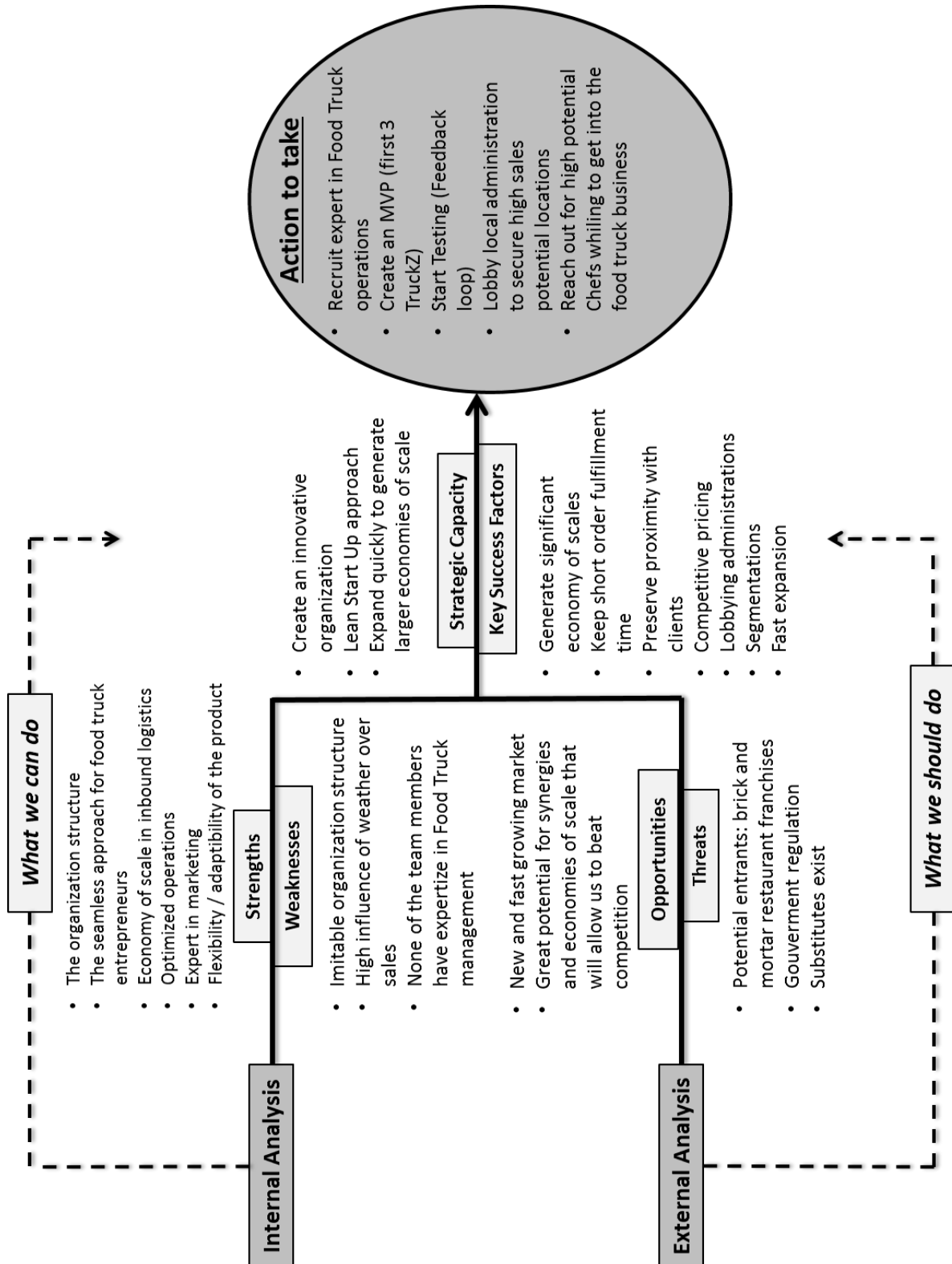


Figure 9 SWOT diagram canvas inspired from Johnson & al. (2011)

## V. Market Study

As previously explained in the literature review, this market “study” aims only to provide the foundation of the entrepreneurs’ leap of faith assumptions.

Following Särndal et al. (2013) methodology and the recommendations presented in the literature review, the following questionnaire was established:

	Questions asked to contact	Relevant information obtained
	<b>Contact Info</b>	Web link
		Company's Name
		Contact date
		Contact Name & Surname
		Contact phone#
		Contact email
S a l e s  S t a t s	How many trucks do you run?	<b>#trucks</b>
	How many people work in your truck(s)?	<b>#employees / trucks</b>
	Regarding the price of your menus, How much is a premium menu (if you have any)?	<b>Price of Menus:</b> Ultra Menu
	your regular menu? Prix du menu moyen?	Super Menu
	your cheap menu? Prix du menu le moins cher?	Classic Menu
	The price of a drink on average? Prix moyen d'une boissons?	Drink average price
	Regarding your Sales,	<b>Average # menu sold per day:</b>
	How many premium menu do you sell per day?	Ultra Menu
	regular menu per day?	Super Menu
	cheap menu per day?	Classic Menu
drinks per day?	Drink average sales #per day	
How many days per month do you exploit the truck?	<b># days spend on the street/month</b>	
M a r k e t i n g  I n f o	Are you on social networks? Which one?	<b>Social Network presence</b> Facebook Twitter Instagram
	How much posts per week do you do on each network?	<b>Social Network presence in # post/week</b> Facebook Twitter Instagram
	Do you have a professional website?	<b>Website exists YES=1 No=0</b>
	How much did you spend on the website creation?	<b>Website cost</b>
	How much budget do you spend on marketing per month?	<b>Marketing Budget</b>
	How many time do you spend doing your food truck's marketing per week?	<b>Marketing time consuming task? (hour/week)</b>
	Do you enjoy doing your food truck day to day marketing on a 1 to 5 scale where 5 is loving it and 1 is hating it.	<b>Enjoyable task?</b>
	How long did it took you to set up your truck from business planning to launch in months.	Time to launch a food truck for chef without Foodies' TruckZ
	How much did you intially invest in the truck. Investissement initiale?	<b>Amount of intial cost</b>
	Do you do any major investment after that.	<b>Yes =1 or No=0</b>
If yes how large was the investment?	Amount invested in the truck after launch	
If yes how many years after the launch?	<b>#years before investment</b>	

*Questionnaire 1 (Questions & Specifications)*



The questionnaire was then submitted through a telephone call to over fifteen trucks which lead to six successful phone interviews. The results of these interviews are presented in the table below, with the last column providing synthetization of the insight conveyed through these interviews.

Marketing Survey							
Questions asked to contact	Survey 1	Survey 2	Survey 3	Survey 4	Survey 5	Survey 6	
<b>Contact info</b>	Web link www.elcamion.be	www.urbancook.be	www.KeepOnasting.be	www.caravankitchen.be	www.vroomvroomcoffee.com	www.vroomvroomcoffee.com	
	Company's Name El Camion	Urban Cook	Keep On Toasting	Caravan Kitchen	Sin Street Food	vroom vroom coffee	
	Contact date 10/08/2015	10/08/2015	10/08/2015	10/08/2015	10/08/2015	10/08/2015	
	Contact Name & Surname /	/	/	/	/	/	
	Contact phone# /	/	/	/	/	/	
	Contact email /	/	/	/	/	/	
	#trucks 1	3	1	1	1	1	
	How many trucks do you run? How many people work in your trucks? Regarding the price of your menus: How much is a premium menu (if you have any)? your regular menu? Prix du menu moyen? your cheap menu? Prix du menu le moins cher? The price of a drink on average? Prix moyen d'une boissons? Regarding your Sales, How many premium menu do you sell per day? regular menu per day? cheap menu per day? drinks per day? How many days per month do you exploit the truck? Are you on social networks? Which one? Facebook Twitter Instagram How much posts per week do you do on each network? Facebook Twitter Instagram Do you have a professional website? Do you enjoy doing your food truck day website creation? How much budget do you spend on marketing per month? How many time do you spend doing your food truck's marketing per week? Do you enjoy doing your food truck day to day marketing on a 1 to 5 scale where 5 is loving it and 1 is hating it. How long did it took you to set up your truck from business planning to launch in months. How much did you initially invest in the truck. Investissement initiale? Do you do any major investment after that. If yes how large was the investment? If yes how many years after the launch?	2 20,00 € 11,00 € 8,00 € 3,00 € 70 70 100 400 8	3 10,00 € 9,00 € 7,00 € 2,00 € 100 100 200 500 25	1 3 5,00 € 4,00 € 4,00 € 2,00 € 10 20 10 10 26	1 2 9,00 € 7,00 € 5,00 € 1,50 € 15 40 15 25 25	2 8,00 € 6,00 € 5,00 € 2,00 € 15 30 20 25 15	1 3,20 € 2,30 € 2,00 € 2,50 € 50 70 70 210 20
<b>AVERAGE</b>	1.3	9.20 €	6.55 €	5.17 €	2.17 €	43.3	
<b>Stand. Dev.</b>	0.82	0.75	0.58	0.32	0.52	36.56	
<b>Comment for the leap of faith assumption</b>	Most entrepreneurs owns a single truck	Most truck operates with at least 2 staff members	all truck keep their premium menu under 10€	Large differences exist between trucks performance	Most truck operates 6 days a week		
<b>Marketing Budget</b>	€ 3 000,00	€ 100,00	€ 1 000,00	€ 100,00	€ 783,33	€ 1 147,90	
<b>Marketing time consuming task</b>	0	5	6	2	0	3	
<b>Engageable task?</b>	1	5	5	3	2	3	
<b>Amount of initial cost</b>	€ 25 000,00	€ 50 000,00	€ 50 000,00	€ 60 000,00	€ 18 000,00	€ 50 000,00	
<b>Yes -1 or No=0</b>	1	1	1	0	1	1	
<b>Amount invested in the truck after launch</b>	€ 13 000,00	€ 4 000,00	€ 5 000,00	€ 40 000,00	€ 40 000,00	€ 10 000,00	
<b>#years before investment</b>	7	1	1	1	4	2	

Questionnaire 1 (questions, specifications & answers)

## VI. Development and implementation strategy

### A. Strategic Statement

This section is based on Johnson et al.'s recommendations to define an organization's strategy statement. It presents three different ways to summarize the strategic intention: mission, vision and values. (Johnson et al., 2011)

#### 1. Mission

In the case of Foodie's TruckZ, the mission is stated as follows: Foodie's TruckZ mission is to create a better place for food truck entrepreneurs and food lovers.

#### 2. Vision

Foodie's TruckZ vision is to fill the world's streets with foodies' favorite TruckZ and allow passionate chefs to start their own TruckZ.

#### 3. Values

Foodie's TruckZ values are:

- **Always delivered with passion for passionate:** we commit to deliver meal prepared by a panel of carefully selected chefs who are dedicated to the art of cooking.
- **Always fresh:** we commit to serve only fresh food from local farmer's market
- **Always easy:** we commit to do everything that is in our power to make things as easy as possible for you.
- **Always fast:** we commit to deliver all our basic meals in less than 5 minutes.
- **Always great value:** we commit to bringing the best value through high quality meals at an affordable price.
- **Always respectful of the planet:** we commit to keep our TruckZ fleet up to date with the latest innovations to reduce our energy consumption and source as many ingredients locally to reduce carbon emission.

### B. Growth engine

Defining the right engine of growth for a startup allows it to set the correct metrics and avoids wasting precious time and energy. This framework allows them to focus on metrics that matters

and stop them from drowning in the zillion new ideas that could make the product better. (Ries, 2011)

In the case of Foodie's TruckZ, the customers are separated into two different macro segments. The people purchasing the final product represent the B2C side of TruckZ, while the Chefs and partners represent the B2B side of TruckZ.

The suitable engine of growth for the customer segment is a mix of the three engines, as the sticky engine is essential for the creation of a solid customer base for each truck, the viral engine and paid engine of growth will both allow for the growth of the TruckZ customer base.

Therefore, the following metrics have been defined as essential performance indicators for each TruckZ:

- Compounding rate (retention rate - churn rate) which can be measured by using loyalty cards to identify customers
- The viral coefficient, which is the trickiest parameter to measure, as it is practically impossible to measure word of mouth dissemination of the product. Still, online viral marketing campaigns can help to increase a measurable viral coefficient.
- The cost per acquisition (CPA) should be minimized while the lifetime customer value (LCV) should be maximized.

On the B2B side of things, TruckZ should focus on a viral engine of growth, as it will allow for rapid fleet growth once it is set. Additionally, TruckZ should focus on a paid engine, as it will allow for the development of a small TruckZ fleet more quickly on new markets.

### **C. Business Model Canvas**

The Business Model Canvas (BMC) is a great tool to visualize a business in a glimpse. Foodie's TruckZ BMC is presented hereafter following Osterwald & al. recommendations (2010).









 <p><b>Key Partners</b></p> <p>The Chefs, Legal Authorities, Food Blogs &amp; Foodie, communities, Suppliers</p>	 <p><b>Key Activities</b></p> <p>TurckZ fleet Maintenance, TurckZ fleet operation, Promotion, Business development</p>	<p><b>Value Proposition</b></p>  <p><b>Chefs' perspective:</b> Find an investment partner, Seamless approach, Edge the risks, Benefit from expert advise</p>	<p><b>Customer Relationships</b></p>  <p>Fidelity program Best TruckZ contests Social Network management</p>	<p><b>Customer Segments</b></p>  <p><b>Chefs' :</b> Young professional Entrepreneurs Passionate ...</p>
<p><b>Key Resources</b></p>  <p>The Team The Ingredients The Truck Fleet</p>	<p><b>Foodies' perspective:</b> Access quality food easily and fast at lower price then substitutes , Benefit from a large offer</p>	<p><b>Channels</b></p>  <p>The TruckZ, (social networks, mobile devices &amp; technologies)</p>	<p><b>Foodies' :</b> Food lovers Active people Student Party people Corporate events</p>	
<p><b>Cost Structure</b></p> <p>Truck initial investment, Truck maintenance, Truck exploitation (gas...etc.), Ingredients, Preparation Kitchen space &amp; office rent, Staff compensation, Marketing expenses</p>		<p><b>Revenue Streams</b></p>  <p>X % of each TruckZ profit, Small margin on supplies,</p>		

Figure 10 Foodie's TruckZ Business Model Canvas based on Osterwald & AL. (2010)

## D. Strategic Marketing

### 1. Segmentation

In Foodie's TruckZ context, the macro segmentation identifies two large segments of client groups. Firstly, the final customers, referred to as "Foodies." Secondly, the entrepreneurs wishing to invest in TruckZ, referred to as "Chefs". The team's assumptions in regards to the micro segmentation are presented in the following diagram:

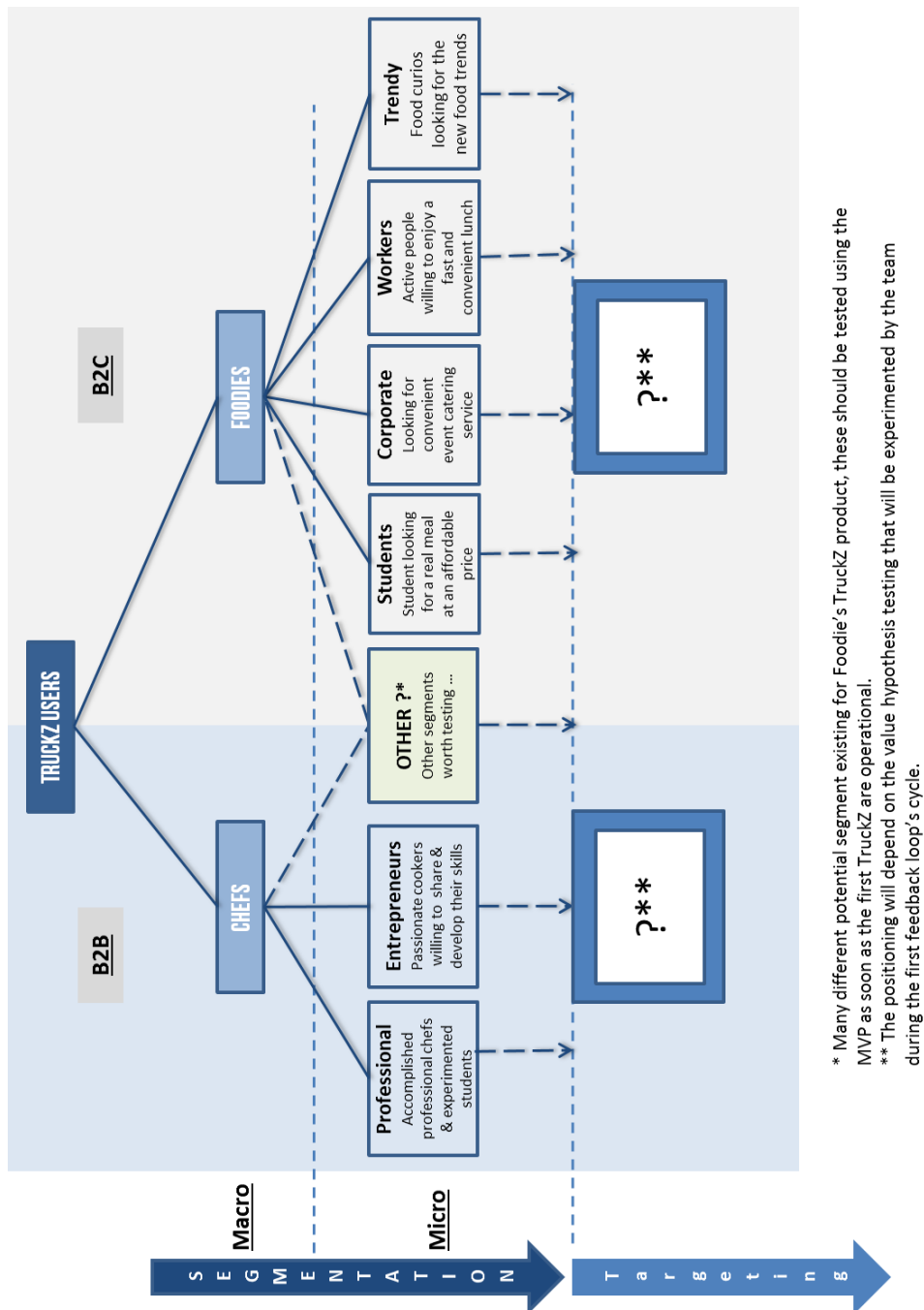


Figure 11 Foodie's TruckZ segmentation and Targeting

Note that the team's assumptions should be validated through the implementation of a feedback loop. The completed, validated learning can then be applied to other TruckZ operating in similar geographic areas.

## **2. Targeting**

As shown in the Figure 11, Foodie's TruckZ targeting has not yet been determined, as it should be the result of validated learning achieved through the Build-Measure-Learn Feedback Loop.

## **3. Positioning**

The positioning of Foodie's TruckZ as a brand wishes to be a friendly, passionate and accessible brand. A transparent view over costs, profits and environmental impacts should be publically accessible. The aim is to entice Chefs to join the chain, as well as convert customers into brand evangelist. Therefore, it is significant to create a recognizable brand that people can trust and perceive as a quality mark. The respective TruckZ positioning should vary depending on the targeted market segments.

## **E. Operational marketing**

This part of the work describes the operational marketing that Foodies' TruckZ will adhere to. It is based on the 4P's analysis described in the literature review and includes an in-depth description of the product and brand through the attribute cart and identity prism model. It also presents a detailed promotion strategy including a communication plan, star strategy analysis and a media plan.

### **1. Product/Brand**

The brand is one of the major strategic assets of the company. It is "a term, a sign, a symbol, a drawing or a combination of them intended to identify a good or service of a seller or group of sellers and to differentiate them from the competition." (Lambin & al., 2008).

#### **Attribute Cart**

The following onion shape diagram provides the two different attributes carts of Foodies' TruckZ business on a B2C and B2B level.

### Foodies' TruckZ product Attributes Cart

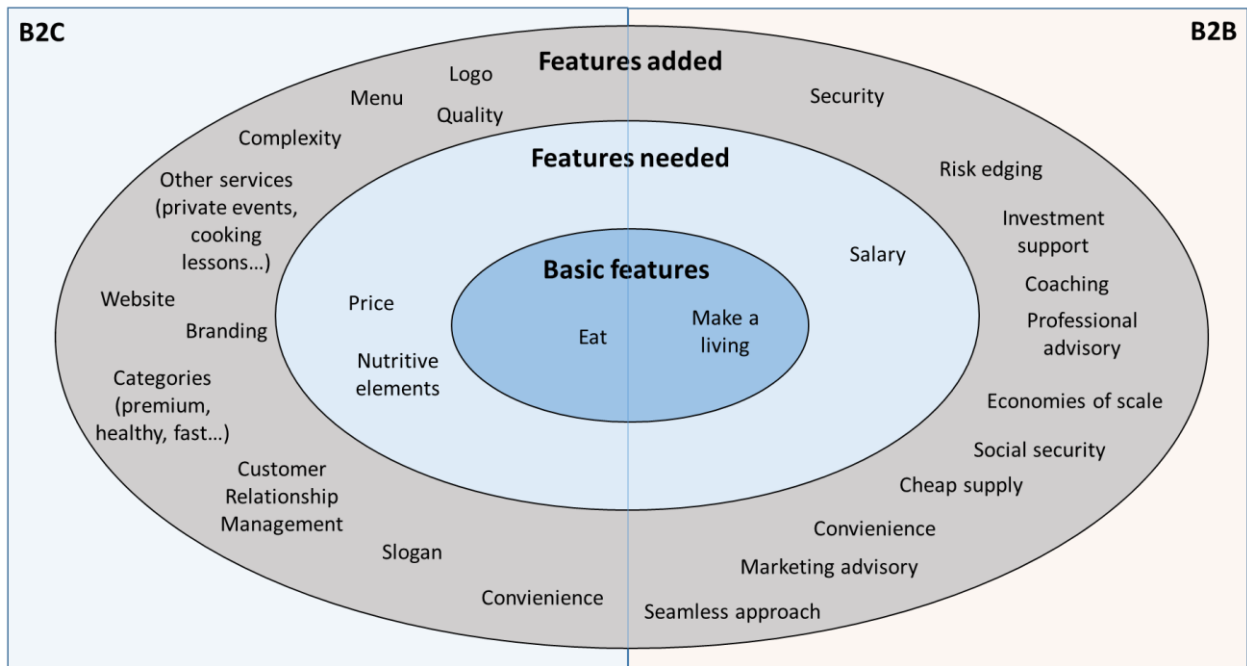


Figure 12 Foodies' TruckZ identity prism inspired from Lambin & al. (2008)

### Identity prism

Foodies' TruckZ identity prism can be presented as follow:

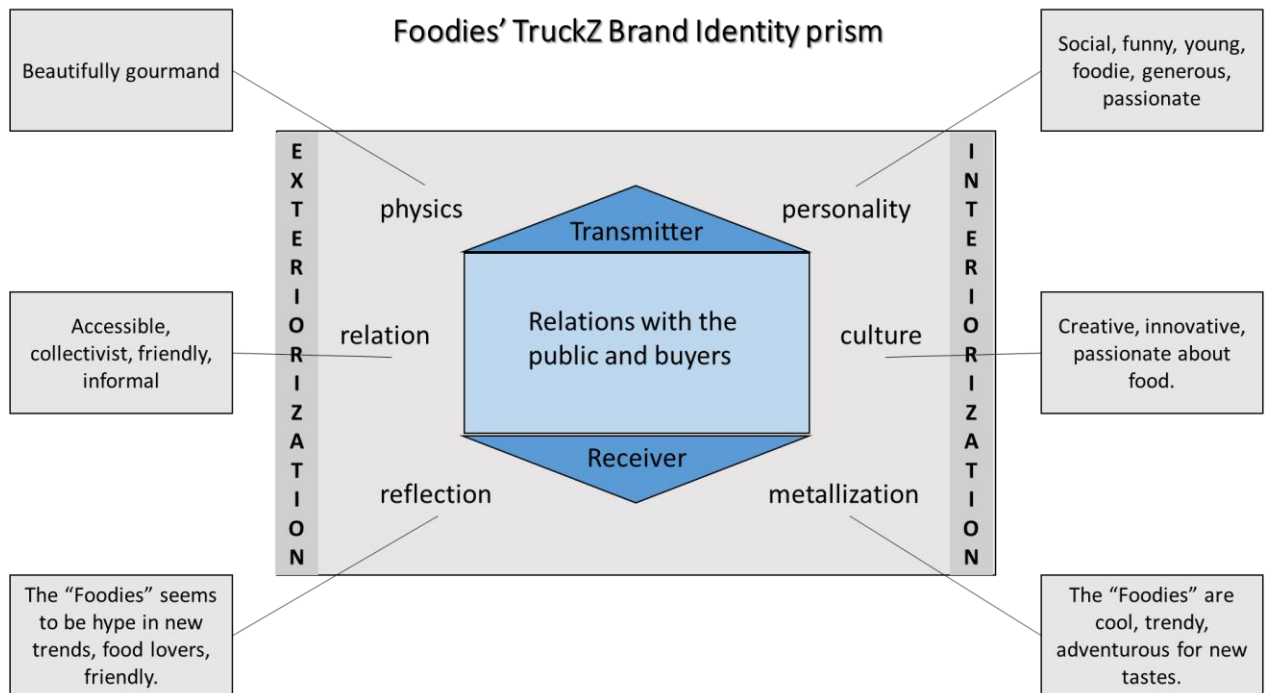


Figure 13 Foodies' TruckZ identity prism inspired from Lambin & al. (2008)

## Name

The name “Foodie’s TruckZ” was chosen for its obvious explicit relation to the name Food Truck. Moreover it includes an implicit link with the new “Foodie” trend, while the “Z” at the end of Truck implicitly pluralizes the number of trucks to express the fact the “Foodies TruckZ” is a food truck chain for foodies.

Finally, the name Foodies TruckZ appears to be free of trademark according to Trademark View’s website which is the Organization for Harmonization of the Internal Market’s (OHIM) database search tool.

A summary of the name’s strength and weaknesses is presented hereunder:

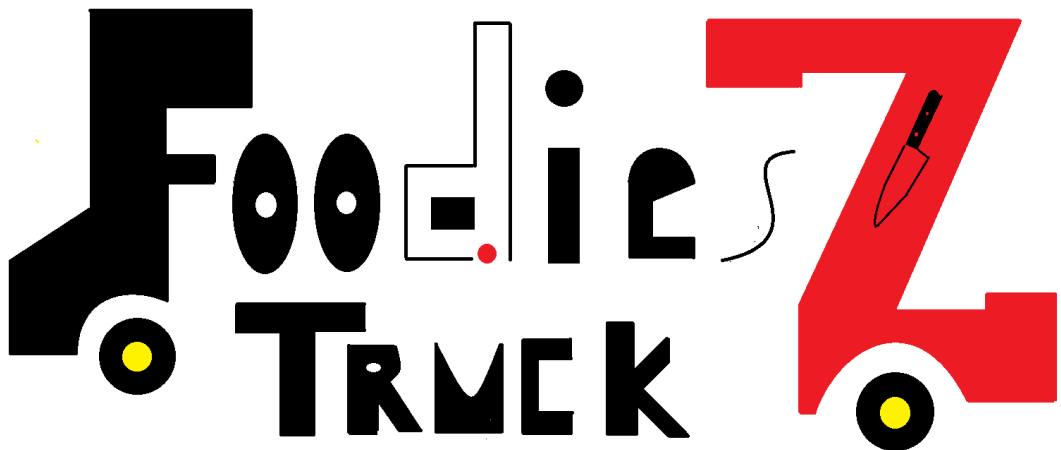
Strengths	Weaknesses
<ul style="list-style-type: none"><li>• Storytelling, existing association between food truck and Foodies’ TruckZ bring up a straight explanation of the brand</li><li>• Short and easy to remember.</li><li>• Catchy, after the very long reflection the team always had the remaining “TruckZ” name. Adding the Foodies came later to give it an extra appeal and for practical purposes since domain TruckZ.com wasn’t available and trademark TruckZ already existed.</li><li>• The availability of the domain name is vital for setting google AdWords advertising and for online research efficiency.</li><li>• The “foodie” word is a trendy word that brings up the innovative aspect of the chain.</li></ul>	<ul style="list-style-type: none"><li>• “Foodies’ TruckZ” isn’t a very original name.</li><li>• The name “Foodies’ TruckZ” is quite long and subject the spelling mistakes once written</li></ul>

*Table 4 Recapitulative table of the Foodie’s TruckZ name strengths and weaknesses*



## Logo

Foodies' TruckZ logo is presented hereunder and follows the “commandments” described in the literature review.



*Foodies TruckZ logo 1*

## 2. Place

Foodies' TruckZ final product distribution is made exclusively through its TruckZ fleet and doesn't involve any third parties.

On the B2B side of the business, Foodies' TruckZ could perhaps implement an external business developer to recruit new chefs, though, this solution isn't envisioned by the team today.

## 3. Price

Foodies' TruckZ pricing should depend on each market's individual positioning. It should be determined precisely through the implementation of the Lean Startup approach's feedback loop. The pricing can be tested on similar TruckZ using split test analysis, for example.

On a B2B perspective, the Foodies' Chain commission should be focused on maximizing Chefs performance and measuring such through quantifiable metrics. The

commission should maximize the chain profit, as this would result in a short term vision and an unsustainable business model. On the other hand, by maximizing TruckZ performance through Chefs performance, TruckZ will be able to expand rapidly and consequently reach higher economies of scales. This will maximize its profit on the long run.

#### **4. Promotion and communication**

To be successful, a marketing strategy should develop a meaningful communication program. This particular program aims to make the various markets aware of the product existence, underline the product characteristic elements for the targeted client groups and increase product demand. This increase in product demand is the result of adapted promotional actions. (Lambin et al., 2008)

The last P is, therefore, dedicated to creating a communication plan, develop a star strategy and a media plan. These three tools will guide Foodies' TruckZ team to promote the organization.

#### **Communication Plan**

Foodies' TruckZ will require several different communication plans:

- A plan dedicated to the chain launch
- A plan to develop Foodies' TruckZ community and create brand evangelist
- A plan dedicated to attracting and recruiting innovative entrepreneurs
- Individual plans for each Foodies' TruckZ

These different plans are articulated hereunder following Harold Lasswell 5 W's model to which an evaluation section was added in order to adapt to the Lean Startup Methodology and ensure that results were measured through quantifiable metrics.

## 1. Foodies' TruckZ launch communication plan

Communication objectives	Messages (what)	Targets (whom)	Means (with)	Evaluation (what effect)	When
Create a core community of foodies	We have the best food trucks in town	Sociable and trendy food lovers	Internet: specialized blog and communities	#increase in active community members	TBD*
Create a trustworthy image among industry professionals	We are trust worthy professional and the future leader of the Food truck industry	Catering industry professional, official authorities	Magazine: specialized press	#business leads for catering professional	TBD
Expand the foodies' community	Easy, convenient and high valuable way to eat	TBD	Web: social networks, app	#community members acquisition	TBD
Retain customers	Check our new exclusive weekly menus	Existing customer base	Web: social networks, app, directly at food truck windows	#Customer lifetime value	TBD
Be a love brand for food lovers and entrepreneurs	We work every day to create a better place for food truck entrepreneurs and food lovers	TBD	Web: social networks, app, directly at food truck windows	#viral coefficient of brand on social networks	TBD

Table 5 Foodies' TruckZ launch communication plan inspired from Libaert (2013)

\*TBD: to be determined

## 2. Foodies' TruckZ community communication plan

Communication objectives	Messages (what)	Targets (whom)	Means (with)	Evaluation (what effect)	When
Create organic spread of Foodies' TruckZ content	Recipes and insight from Foodies' Chefs  (alike blog posts)	Mass audience and any potential customers	Web: Foodies' TruckZ blog, Specialized blog	#engagement rate	TBD
Activate foodies' community	Have you tried this/that at home?	Community members	Web: social networks, app	#active community members	TBD
Convert community members into brand evangelists	Foodies' TruckZ are a unique experience to share with friend	Active community members, Customer base	Web: social networks, app, directly at food truck windows	#viral coefficient, #% of active community members	TBD
Attract general media attention	Who we are what we do, why do we exist : VIDEO	Mass audience, potential partners/customers/authorities, anyone who doesn't know us yet	Foodies' TruckZ website & youtube channel	#Visitors coming from general media website links	TBD
Retain customers, make them use and download the app.	Here is our loyalty program start using it now!	Customer base	Web: social networks, app, directly at	#Apps download versus #app scan at TruckZ windows	TBD

			food truck windows		
--	--	--	--------------------	--	--

Table 6 Foodies' TruckZ community communication plan inspired from Libaert (2013)

### 3. Foodies' TruckZ talented Chef's recruitment communication plan

Communication objectives	Messages (what)	Targets (whom)	Means (with)	Evaluation (what effect)	When
Attract new talented young entrepreneurs	You have what it take to run a food TruckZ? We will give you the means to succeed!	Young professional, freshly graduated professionals, entrepreneurs looking for new challenge	Web: blog, social networks, website; Magazine: specialized press; Directly into the school: student fairs...etc.	#request for new TruckZ chefs, #average age of Chefs applicant, #Performance rate of Chefs (internal rating based on performance)	TBD
Create a quality trademark within the industry	Here is why we do it better!	Professional and industry members	Magazine: specialized press, Web: specialized blog/website, general media	#number of professional chef applying to become TruckZ chefs/investors	TBD
Create an internal community within TruckZ chefs	Share your tips within the TruckZ community! It's a win-win relationship!	TruckZ chefs	Internal communication, seminars, team trainings...etc.	#standard deviation in the Chef performance rate (internal rating based on performance)	TBD

Table 7 Foodies' TruckZ talented Chef's recruitment communication plan inspired from Libaert (2013)

4. **Foodies' TruckZ individual TruckZ communication plan (example for MVP)**

<b>Communication objectives</b>	<b>Messages (what)</b>	<b>Targets (whom)</b>	<b>Means (with)</b>	<b>Evaluation (what effect)</b>	<b>When</b>
Inform local markets about product and offer	Here is what we serve in general and today!	Foodies' TruckZ general community member	Web: Social network and blog,, App	#New customers	TBD
Create incentives for customers to repeat purchase	You purchase meal at our TruckZ regularly? Create a loyalty card and start saving today!	Loyal customers	Food truck window through the app	#Fidelity card completed (11 <sup>th</sup> meal for free deal)	TBD
Create an individual fan base	You like our TruckZ? Become a fan of our TruckZ!	Happy customers and customers base of this TruckZ	Food truck window through the app	#internal app TruckZ fans	TBD

*Table 8 Foodies' TruckZ individual TruckZ communication plan inspired from Libaert (2013)*

**Star Strategy**

**Foodies' TruckZ Star strategy**

	<b>« Foodies' TruckZ »</b>
<b>Physical</b>	Beautifully gourmand
<b>Personality</b>	Passionate, professional, foodie, trendy, innovative, social, generous
<b>Tone</b>	Funny, stylish, professional

*Table 9 Foodies' TruckZ character and body definition*

**Media Plan**

Foodies' TruckZ communication means will focus on the internet as a mean to reach customers. Neither the less more traditional media such as magazines nor specialized

press could reveal useful to reach out to a very specific audience. Rather, such media outlets are used to communicate directly to potential entrepreneurs who are already active in the catering business and therefore exposed to specialized magazine targeting this industry.

Additionally, the daily press, as well as traditional street display media appears as weak means to reach out to Foodies' TruckZ audiences. Note that street display in the case of Foodies' TruckZ should be exploited naturally as each Food Truck from Foodies' TruckZ fleet will be branded in a way that creates a natural display of the brand. Moreover, Foodie TruckZ best method of displaying instantaneous advertising is the customers: creating an outstanding looking meal that will catch potential customers' attention and rouse their curiosity.

The media plan and analysis can be presented as follow:

#### **Foodies' TruckZ Media analysis**

<b>Medias</b>	<b>Types</b>	<b>STRENGTHS</b>	<b>WEAKNESSES</b>
<b>Daily Press</b>	Newspapers	Good local coverage (regional newspapers); Flexibility and credibility; Rapidity of actions.	Short lifespan messages; Poor quality of reproduction; weak image creator.
<b>Magazines</b>	Specialized magazines in the catering industry	National cover ; Selectivity of the hearing ; Credibility and prestige ; Good quality reproduction ; Long life messages ; Smooth flow of messages; Editorial context involving the reader	Long service time of purchase; no guarantee of location
<b>Internet</b>	Social network Search engine Specialized blog	Global coverage ; Big selectivity ; Contextual targeting ; Interactivity; Accurate measure of the efficiency in real time; Charged more effective at display; Accessible to all budgets; Low cost contact; Communication media and sales.	Penetration is still limited; potential dilution effect; Constraints on the format; increasing rejection of pop-up and danger of spamming
<b>Display</b>	Street	Geographic selectivity; multiple formats; high frequency and high visibility.	Low attention; limited selectivity;

*Tab 10 Media analysis adapted from Kotler (2006)*

## Planning objectives and milestones

Foodies' TruckZ major milestones are listed below. These milestones will set the path to growth and operate the venture.

- Finalize the research for investors and cover the MVP initial costs
- Find the first Chef
- Launch the first Foodies' TruckZ (Trailer) in Brussels in 2016
- Launch three new Foodies' TruckZ (Trailers) during the same year
- Launch three additional Foodies' Truckz (Trucks) during 2017
- Reach Profitability and ROI
- Pitch Foodies TruckZ to VC to collect extra capital and finance growth
- Expand geographically

## VII. Financial Evaluation

Foodies' TruckZ financial evaluation aims to pre-validate the financial viability of the venture and confirm the Business Model. Note that the financial evaluation is biased by the team optimism and the inexistent sales data.

Therefore all the following financial analysis should be seen as an evaluation of TruckZ potential financial viability.

### A. Business Model summary

This section aims to clarify the financial aspect of the business model. It describes both Foodies' TruckZ and the Chefs point of views and summarizes them into the following diagram.

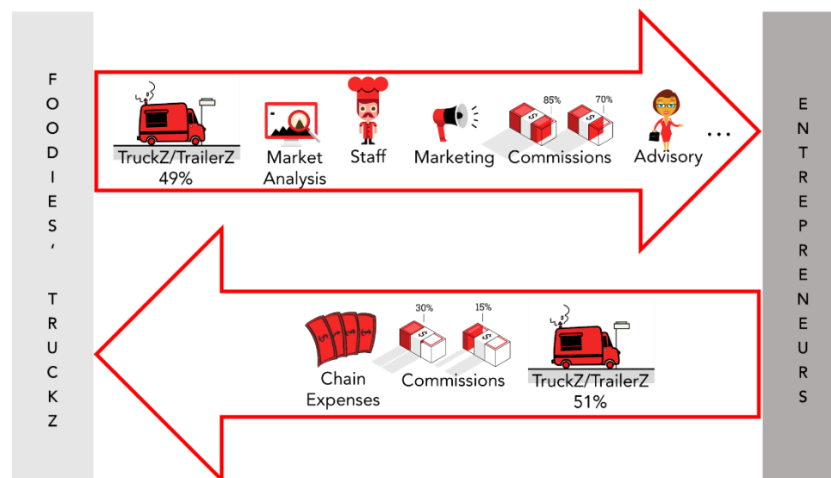


Figure 14 Illustration of the relation between entrepreneurs and the chain



## B. Assumption

The financial evaluation relies on six major assumptions: the fleet size and corresponding number of employees, the sales target, the pricing, the margins and lastly, the company's cost and budgeting. Each of these are depicted in details below.

### 1. Fleet size & number of head office employees

The fleet size assumption is solely based on the team leap of faith assumptions. It is the main target for the team. The team produced this figure with the intention of maintaining the most realistic, conceptual level possible.

As shown in the following table, the fleet size will increase quarterly by one TrailerZ during the first year, followed by one additional TruckZ quarterly during the second year and finally, two additional TruckZ should join the fleet quarterly during the third year of operations.

Based on the fleet size, a number of Foodies' TruckZ employees was estimated, grounded that one employee can manage the work load of up to 4 TruckZ and TrailerZ.

Year	2016				2017				2018			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
<b>Assumptio</b>	1	2	3	4	5	6	7	8	10	12	14	16
<b>nental Fleet Size</b>												
#Trailers	1	2	3	4	4	4	4	4	4	4	4	4
#Trucks	0	0	0	0	1	2	3	4	6	8	10	12
#employees of TruckZ head	1	1	1	1	2	2	2	2	4	4	4	4

*Table 11 Fleet size growth assumptions over 3 years*

### 2. Daily Sales target

This is probably the biggest assumption of the financial evaluation. It is based on the market survey conducted on six trucks in Brussels which will be the first market Foodies' TruckZ will implement.

The daily, monthly, quarterly sales for TrailerZ and TruckZ have been set as the following:

Daily Sales Target		Monthly Sales Target		Quarterly Sales Target	
#TrailerZ (75% of TruckZ sales)	125.625	#TrailerZ	2512.5	#TrailerZ	7537.5
<i>Ultra</i>	33	<i>Ultra</i>	650	<i>Ultra</i>	1950
<i>Super</i>	41	<i>Super</i>	825	<i>Super</i>	2475
<i>Classic</i>	52	<i>Classic</i>	1038	<i>Classic</i>	3113
<i>Drinks</i>	90	<i>Drinks</i>	1800	<i>Drinks</i>	5400
#TruckZ	167.5	#TruckZ	3350	#TruckZ	10050
<i>Ultra</i>	43	<i>Ultra</i>	867	<i>Ultra</i>	2600
<i>Super</i>	55	<i>Super</i>	1100	<i>Super</i>	3300
<i>Classic</i>	69	<i>Classic</i>	1383	<i>Classic</i>	4150
<i>Drinks</i>	120	<i>Drinks</i>	2400	<i>Drinks</i>	7200
		<i>Days of Operation/Month</i>	20	<i>Days of Operation/Quarter</i>	60

Table 12 Daily, monthly and quarterly sales over days of operation/month or quarter

As shown in the table above the sales are divided into three meals categories. The Ultra, Super and Classic meals which are the three price ranges that each TruckZ will offer. For example, an Ultra could be a premium bento or burger with expensive ingredients, while a classic could be a more basic hot dog. The Super is in between those two categories. The drinks sales targets were also set based on the market survey.

### 3. Pricing

Pricing is one of the key elements of good marketing. For the purpose of this financial evaluation, TruckZ pricing were set to the survey average pricing. Note that the pricing is one of the most flexible variables that the team will be able to modify.

Unit sale price (average)	
<i>Ultra</i>	9.20 €
<i>Super</i>	6.55 €
<i>Classic</i>	5.17 €
<i>Drinks</i>	2.17 €

Table 13 Unit sale price for the type of menu

### 4. Margins

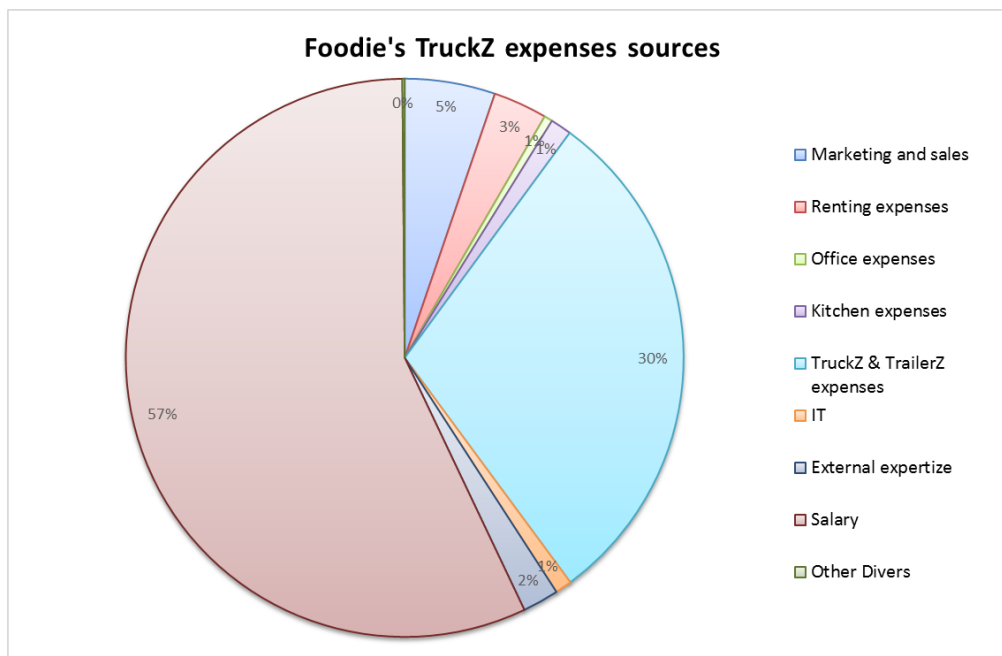
Establishing the margin is a tricky aspect of the financial evaluation. To be as conservative as possible, the margins are set as constant in the evaluation. This, however, should not be the case. As the TruckZ fleet size increases, it should realize significant economies of scale on ingredients supply. Moreover, the margins showed in the following table were exposed to two industry professional who both confirmed that they were indeed realistic, as well as quite conservative.

Margins Assumptions based on discussion with industry professionals		Meal cost based on pricing and average margins	
Ultra	50%	Ultra	4.60 €
Super	55%	Super	2.95 €
Classic	60%	Classic	2.07 €
Drinks	65%	Drinks	0.76 €

Table 14 Margin assumptions for the type of menus & drinks

## 5. Company Cost Budgeting

The following table recaps the major expenses budgets for the setup and running of Foodies' TruckZ. The major assumption of which are based expenses, such as the number of trailers, trucks and employees that are part of the company. The assumption was made that only one employee is capable of managing the strategy, communication and marketing of up to 4 trucks or trailers. Then, regarding the expansion of the fleet size, the target was set to one trailer every quarter and one truck every quarter from the year onward. These assumptions try to be as conservative as possible and should be interpreted very cautiously. All costs and budgets were made with the help of N. Gerin and D. Van Eetvelde, two entrepreneurs who are quite familiar with start-up budgeting.



Graph 2 Expenses budgets of Foodies TruckZ pie chart over the first three years of operations

## Expenses Budgets over the first three years of operations

Expenses budgets	Year 2016				Year 2017				Year 2018			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
<b>Assumptions</b>												
#Trailers	1	2	3	4	5	6	7	8	10	12	14	16
#Trucks	1	2	3	4	4	4	4	4	4	4	4	4
#employees of TruckZ head office	0	0	0	0	1	2	3	4	6	8	10	12
	1	1	1	1	2	2	2	2	4	4	4	4
<b>Expenses</b>												
Office rent including taxes	750,00 €	750,00 €	750,00 €	750,00 €	1.500,00 €	1.500,00 €	1.500,00 €	1.500,00 €	3.000,00 €	3.000,00 €	3.000,00 €	3.000,00 €
Kitchen rent	1.500,00 €	1.500,00 €	1.500,00 €	1.500,00 €	3.000,00 €	3.000,00 €	3.000,00 €	3.000,00 €	4.500,00 €	4.500,00 €	4.500,00 €	4.500,00 €
Public services, electricity...	900,00 €	900,00 €	900,00 €	900,00 €	1.200,00 €	1.200,00 €	1.200,00 €	1.200,00 €	1.500,00 €	1.500,00 €	1.500,00 €	1.500,00 €
<b>Office/Kitchen rent</b>	<b>3.150,00 €</b>	<b>3.150,00 €</b>	<b>3.150,00 €</b>	<b>3.150,00 €</b>	<b>5.700,00 €</b>	<b>5.700,00 €</b>	<b>5.700,00 €</b>	<b>5.700,00 €</b>	<b>9.000,00 €</b>	<b>9.000,00 €</b>	<b>9.000,00 €</b>	<b>9.000,00 €</b>
Furnitures	1.000,00 €	- €	- €	- €	1.000,00 €	- €	- €	- €	2.000,00 €	- €	- €	- €
Equipment	2.500,00 €	- €	- €	- €	2.500,00 €	- €	- €	- €	5.000,00 €	- €	- €	- €
Contributions and subscriptions	500,00 €	- €	- €	- €	750,00 €	- €	- €	- €	1.000,00 €	- €	- €	- €
Newsletters and magazines	150,00 €	150,00 €	150,00 €	150,00 €	150,00 €	150,00 €	150,00 €	150,00 €	150,00 €	150,00 €	150,00 €	150,00 €
other office	100,00 €	100,00 €	100,00 €	100,00 €	100,00 €	100,00 €	100,00 €	100,00 €	100,00 €	100,00 €	100,00 €	100,00 €
<b>Office Expenses</b>	<b>4.250,00 €</b>	<b>250,00 €</b>	<b>250,00 €</b>	<b>250,00 €</b>	<b>4.500,00 €</b>	<b>1.000,00 €</b>	<b>1.000,00 €</b>	<b>1.000,00 €</b>	<b>8.250,00 €</b>	<b>1.250,00 €</b>	<b>1.250,00 €</b>	<b>1.250,00 €</b>
Furnitures	1.000,00 €	- €	- €	- €	1.000,00 €	- €	- €	- €	1.000,00 €	- €	- €	- €
Large equipment	5.000,00 €	- €	- €	- €	5.000,00 €	- €	- €	- €	5.000,00 €	- €	- €	- €
Small equipment	2.500,00 €	- €	- €	- €	2.500,00 €	- €	- €	- €	2.500,00 €	- €	- €	- €
Moving cost	- €	- €	- €	- €	1.000,00 €	- €	- €	- €	1.500,00 €	- €	- €	- €
<b>Kitchen Expenses</b>	<b>8.500,00 €</b>	<b>- €</b>	<b>- €</b>	<b>- €</b>	<b>9.500,00 €</b>	<b>- €</b>	<b>- €</b>	<b>- €</b>	<b>10.000,00 €</b>	<b>- €</b>	<b>- €</b>	<b>- €</b>
Trailer investment	10.455,00 €	10.455,00 €	10.455,00 €	10.455,00 €	- €	- €	- €	- €	- €	- €	- €	- €
Trucks investment	- €	- €	- €	- €	22.440,00 €	22.440,00 €	22.440,00 €	22.440,00 €	44.880,00 €	44.880,00 €	44.880,00 €	44.880,00 €
Fleet large equipment	5.000,00 €	5.000,00 €	5.000,00 €	5.000,00 €	7.500,00 €	7.500,00 €	7.500,00 €	7.500,00 €	15.000,00 €	15.000,00 €	15.000,00 €	15.000,00 €
Fleet small equipment	2.500,00 €	- €	- €	- €	12.500,00 €	5.000,00 €	5.000,00 €	5.000,00 €	25.000,00 €	10.000,00 €	10.000,00 €	10.000,00 €
Branding	1.500,00 €	1.500,00 €	1.500,00 €	1.500,00 €	2.000,00 €	2.000,00 €	2.000,00 €	2.000,00 €	4.000,00 €	4.000,00 €	4.000,00 €	4.000,00 €
IT equipment	1.500,00 €	1.500,00 €	1.500,00 €	1.500,00 €	1.500,00 €	1.500,00 €	1.500,00 €	1.500,00 €	3.000,00 €	3.000,00 €	3.000,00 €	3.000,00 €
Fleet Maintenance	250,00 €	500,00 €	750,00 €	1.000,00 €	1.500,00 €	2.000,00 €	2.500,00 €	3.000,00 €	4.000,00 €	5.000,00 €	6.000,00 €	7.000,00 €
Insurance	250,00 €	500,00 €	750,00 €	1.000,00 €	1.500,00 €	2.000,00 €	2.500,00 €	3.000,00 €	4.000,00 €	5.000,00 €	6.000,00 €	7.000,00 €
Gas	600,00 €	1.200,00 €	1.800,00 €	2.400,00 €	3.000,00 €	3.600,00 €	4.200,00 €	4.800,00 €	6.000,00 €	7.200,00 €	8.400,00 €	9.600,00 €
<b>TruckZ Expenses</b>	<b>22.055,00 €</b>	<b>20.655,00 €</b>	<b>21.755,00 €</b>	<b>22.855,00 €</b>	<b>51.940,00 €</b>	<b>46.040,00 €</b>	<b>47.640,00 €</b>	<b>49.240,00 €</b>	<b>105.880,00 €</b>	<b>94.080,00 €</b>	<b>97.280,00 €</b>	<b>100.480,00 €</b>
Computer	1.000,00 €	1.000,00 €	1.000,00 €	1.000,00 €	1.000,00 €	1.000,00 €	1.000,00 €	1.000,00 €	2.000,00 €	2.000,00 €	2.000,00 €	2.000,00 €
Software	500,00 €	500,00 €	500,00 €	500,00 €	500,00 €	500,00 €	500,00 €	500,00 €	500,00 €	500,00 €	500,00 €	500,00 €
<b>IT</b>	<b>1.500,00 €</b>	<b>1.500,00 €</b>	<b>1.500,00 €</b>	<b>1.500,00 €</b>	<b>1.500,00 €</b>	<b>1.500,00 €</b>	<b>1.500,00 €</b>	<b>1.500,00 €</b>	<b>2.500,00 €</b>	<b>2.500,00 €</b>	<b>2.500,00 €</b>	<b>2.500,00 €</b>
Facebook Marketing	500,00 €	1.000,00 €	1.500,00 €	2.000,00 €	2.500,00 €	3.000,00 €	3.500,00 €	4.000,00 €	5.000,00 €	6.000,00 €	7.000,00 €	8.000,00 €
Adwords & SEO	500,00 €	1.000,00 €	1.500,00 €	2.000,00 €	2.500,00 €	3.000,00 €	3.500,00 €	4.000,00 €	5.000,00 €	6.000,00 €	7.000,00 €	8.000,00 €
Media content budget	200,00 €	400,00 €	600,00 €	800,00 €	1.000,00 €	1.200,00 €	1.400,00 €	1.600,00 €	2.000,00 €	2.400,00 €	2.800,00 €	3.200,00 €
Promotional articles	- €	- €	- €	- €	500,00 €	600,00 €	700,00 €	800,00 €	1.000,00 €	1.200,00 €	1.400,00 €	1.600,00 €
Print & Packaging	20,00 €	20,00 €	20,00 €	20,00 €	20,00 €	20,00 €	20,00 €	20,00 €	20,00 €	20,00 €	20,00 €	20,00 €
Events realized marketing	500,00 €	500,00 €	500,00 €	500,00 €	500,00 €	500,00 €	500,00 €	500,00 €	500,00 €	500,00 €	500,00 €	500,00 €
<b>Marketing</b>	<b>1.720,00 €</b>	<b>2.920,00 €</b>	<b>4.120,00 €</b>	<b>5.320,00 €</b>	<b>7.020,00 €</b>	<b>8.320,00 €</b>	<b>9.620,00 €</b>	<b>10.920,00 €</b>	<b>13.520,00 €</b>	<b>16.120,00 €</b>	<b>18.720,00 €</b>	<b>21.320,00 €</b>
Legal	100,00 €	200,00 €	300,00 €	400,00 €	500,00 €	600,00 €	700,00 €	800,00 €	1.000,00 €	1.200,00 €	1.400,00 €	1.600,00 €
Accounting	100,00 €	200,00 €	300,00 €	400,00 €	500,00 €	600,00 €	700,00 €	800,00 €	1.000,00 €	1.200,00 €	1.400,00 €	1.600,00 €
Webdesign	500,00 €	500,00 €	500,00 €	500,00 €	500,00 €	500,00 €	500,00 €	500,00 €	500,00 €	500,00 €	500,00 €	500,00 €
Design	300,00 €	600,00 €	900,00 €	1.200,00 €	1.500,00 €	1.800,00 €	2.100,00 €	2.400,00 €	- €	- €	- €	- €
<b>External expertise</b>	<b>5.500,00 €</b>	<b>1.500,00 €</b>	<b>2.000,00 €</b>	<b>2.500,00 €</b>	<b>7.500,00 €</b>	<b>3.500,00 €</b>	<b>4.000,00 €</b>	<b>4.500,00 €</b>	<b>7.000,00 €</b>	<b>2.900,00 €</b>	<b>3.000,00 €</b>	<b>3.700,00 €</b>
Foodies TruckZ Wages	10.500,00 €	10.500,00 €	10.500,00 €	10.500,00 €	21.000,00 €	21.000,00 €	21.000,00 €	21.000,00 €	42.000,00 €	42.000,00 €	42.000,00 €	42.000,00 €
Fleet Staff Wages	7.500,00 €	15.000,00 €	22.500,00 €	30.000,00 €	45.000,00 €	60.000,00 €	75.000,00 €	90.000,00 €	120.000,00 €	150.000,00 €	180.000,00 €	210.000,00 €
<b>Salary</b>	<b>18.000,00 €</b>	<b>25.500,00 €</b>	<b>33.000,00 €</b>	<b>40.500,00 €</b>	<b>66.000,00 €</b>	<b>81.000,00 €</b>	<b>96.000,00 €</b>	<b>111.000,00 €</b>	<b>162.000,00 €</b>	<b>192.000,00 €</b>	<b>222.000,00 €</b>	<b>252.000,00 €</b>
Insurance	250,00 €	250,00 €	250,00 €	250,00 €	250,00 €	250,00 €	250,00 €	250,00 €	250,00 €	250,00 €	250,00 €	250,00 €
Other	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €
<b>Other divers</b>	<b>250,00 €</b>	<b>250,00 €</b>	<b>250,00 €</b>	<b>250,00 €</b>	<b>250,00 €</b>	<b>250,00 €</b>	<b>250,00 €</b>	<b>250,00 €</b>	<b>250,00 €</b>	<b>250,00 €</b>	<b>250,00 €</b>	<b>250,00 €</b>
<b>TOTAL EXPENSES (without Chef commission)</b>	<b>64.925,00 €</b>	<b>55.725,00 €</b>	<b>66.025,00 €</b>	<b>76.325,00 €</b>	<b>153.910,00 €</b>	<b>147.310,00 €</b>	<b>165.710,00 €</b>	<b>184.110,00 €</b>	<b>318.400,00 €</b>	<b>318.100,00 €</b>	<b>354.300,00 €</b>	<b>390.500,00 €</b>
<b>Total Yearly</b>												
Average # of fleet members				2,5				6,5				13
Total yearly divided / Average fleet members				105.200,00 €				100.160,00 €				106.253,85 €

Table 15 Expenses budgeting in details over the first three year of operations

## 6. TruckZ and TrailerZ cost budgeting

The TrailerZ and TruckZ budgeting was based on the team researches and quotes that the team was able to obtain from several suppliers in Eastern Europe. The cost of a single Food Truck was confirmed in accordance with a market study that proposed that the estimated cost was close to 44'000€. The following budgets were made for TrailerZ and TruckZ.

### TrailerZ

TRAILER	
Initial investment	
Costs	
purchase	10,000.00 €
small equipment	2,500.00 €
large equipment	5,000.00 €
IT equipment	1,500.00 €
Branding	1,500.00 €
<b>Total</b>	<b>20,500.00 €</b>

*Table 16 Trailer initial cost*

### TruckZ

TRUCK	
Initial investment	
Costs	
purchase	30,000.00 €
small equipment	3,000.00 €
large equipment	7,500.00 €
IT equipment	1,500.00 €
Branding	2,000.00 €
<b>Total</b>	<b>44,000.00 €</b>

*Table 17 Truck initial cost*

### C. Financial viability (Results forecasts)

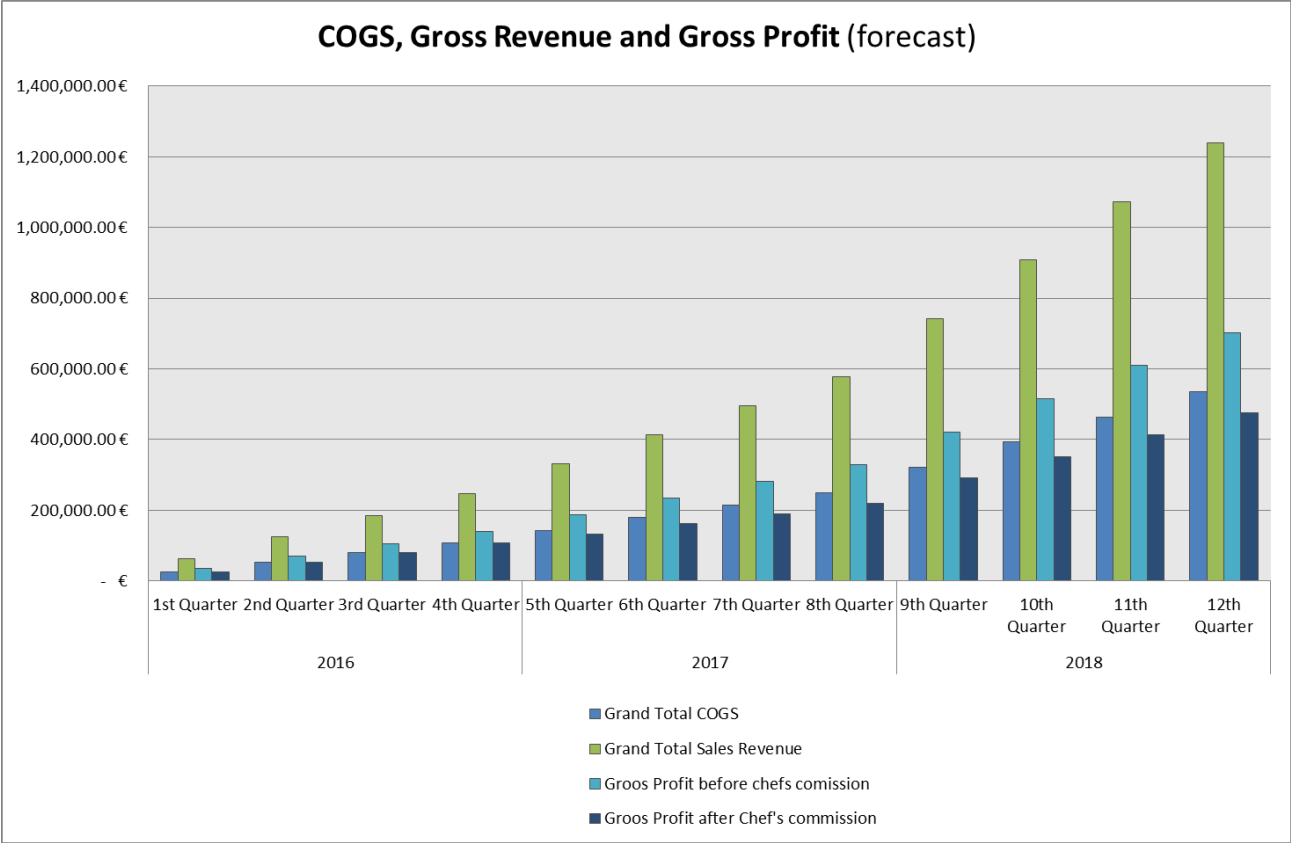
The major objective of this analysis is to determine if it is possible to achieve a financially viable business. The gross revenue (before operating expenses) shown in the following table is based on a strong leap of faith assumption, which was explained earlier in this chapter. Again, it should be interpreted with extreme caution and should be validated, as well as revised as soon the MVP is up and running.

The following tables summarize the sales results over the three years of operation.

Year	2016				2017				2018			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	1	2	3	4	4	4	4	4	4	4	4	4
<b>Total Fleet Size</b>												
<b>#Trailers</b>	1	2	3	4	4	4	4	4	4	4	4	4
<b>#Trucks</b>	0	0	0	0	1	2	3	4	6	8	10	12
<b>Cost and Prices</b>												
<b>Meal cost (average)</b>	4.60 €	4.60 €	4.60 €	4.60 €	4.60 €	4.60 €	4.60 €	4.60 €	4.60 €	4.60 €	4.60 €	4.60 €
	2.95 €	2.95 €	2.95 €	2.95 €	2.95 €	2.95 €	2.95 €	2.95 €	2.95 €	2.95 €	2.95 €	2.95 €
	2.07 €	2.07 €	2.07 €	2.07 €	2.07 €	2.07 €	2.07 €	2.07 €	2.07 €	2.07 €	2.07 €	2.07 €
	0.76 €	0.76 €	0.76 €	0.76 €	0.76 €	0.76 €	0.76 €	0.76 €	0.76 €	0.76 €	0.76 €	0.76 €
<b>Unit sale price (average)</b>	9.20 €	9.20 €	9.20 €	9.20 €	9.20 €	9.20 €	9.20 €	9.20 €	9.20 €	9.20 €	9.20 €	9.20 €
	6.55 €	6.55 €	6.55 €	6.55 €	6.55 €	6.55 €	6.55 €	6.55 €	6.55 €	6.55 €	6.55 €	6.55 €
	5.17 €	5.17 €	5.17 €	5.17 €	5.17 €	5.17 €	5.17 €	5.17 €	5.17 €	5.17 €	5.17 €	5.17 €
	2.17 €	2.17 €	2.17 €	2.17 €	2.17 €	2.17 €	2.17 €	2.17 €	2.17 €	2.17 €	2.17 €	2.17 €
<b>Margins Assumptions based on discussion with industry professionals</b>	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
	55%	55%	55%	55%	55%	55%	55%	55%	55%	55%	55%	55%
	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%
	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
<b>Sales target per TRAILER in #orders</b>	1950	1950	1950	1950	1950	1950	1950	1950	1950	1950	1950	1950
	2475	2475	2475	2475	2475	2475	2475	2475	2475	2475	2475	2475
	3113	3113	3113	3113	3113	3113	3113	3113	3113	3113	3113	3113
	5400	5400	5400	5400	5400	5400	5400	5400	5400	5400	5400	5400
<b>Sales target per TruckZ in #orders</b>	2600	2600	2600	2600	2600	2600	2600	2600	2600	2600	2600	2600
	3300	3300	3300	3300	3300	3300	3300	3300	3300	3300	3300	3300
	4150	4150	4150	4150	4150	4150	4150	4150	4150	4150	4150	4150
	7200	7200	7200	7200	7200	7200	7200	7200	7200	7200	7200	7200
<b>Totals Sales Volume (target) in accord to TruckZ fleet</b>												
	1950	3900	5850	7800	10400	13000	15600	18200	23400	28600	33800	39000
	2475	4950	7425	9900	13200	16500	20000	23100	29700	36300	42900	48500
	3112.5	6225	9337.5	12450	16600	20750	24900	29050	37350	45650	53950	62250
	5400	10800	16200	21600	28800	36000	43200	50400	64800	79200	93600	108000
<b>COGS</b>												
	8,970.00 €	17,940.00 €	26,910.00 €	35,880.00 €	47,840.00 €	59,800.00 €	71,760.00 €	83,720.00 €	107,640.00 €	131,560.00 €	155,480.00 €	179,400.00 €
	7,295.06 €	14,590.13 €	21,885.19 €	29,180.25 €	38,907.00 €	48,633.75 €	58,360.50 €	68,087.25 €	87,540.75 €	106,994.25 €	126,447.75 €	145,901.25 €
	6,432.50 €	12,865.00 €	19,297.50 €	25,730.00 €	34,306.67 €	42,883.33 €	51,460.00 €	60,036.67 €	77,190.00 €	94,343.33 €	111,496.67 €	128,650.00 €
	4,095.00 €	8,190.00 €	12,285.00 €	16,380.00 €	21,840.00 €	27,300.00 €	32,760.00 €	38,220.00 €	49,140.00 €	60,060.00 €	70,980.00 €	81,900.00 €
<b>Totals Sales Revenue (target)</b>												
	17,940.00 €	35,880.00 €	53,820.00 €	71,760.00 €	95,680.00 €	119,600.00 €	143,520.00 €	167,440.00 €	215,280.00 €	263,120.00 €	310,960.00 €	358,800.00 €
	16,211.25 €	32,422.50 €	48,633.75 €	64,845.00 €	86,460.00 €	108,075.00 €	129,690.00 €	151,305.00 €	194,535.00 €	237,765.00 €	280,995.00 €	324,225.00 €
	16,081.25 €	32,162.50 €	48,243.75 €	64,325.00 €	85,766.67 €	107,208.33 €	128,650.00 €	150,091.67 €	193,795.00 €	235,858.33 €	278,741.67 €	321,625.00 €
	11,700.00 €	23,400.00 €	35,100.00 €	46,800.00 €	62,400.00 €	78,000.00 €	93,600.00 €	109,200.00 €	140,400.00 €	171,600.00 €	202,800.00 €	234,000.00 €
<b>Totals Sales Gross Result (target)</b>												
	8,970.00 €	17,940.00 €	26,910.00 €	35,880.00 €	47,840.00 €	59,800.00 €	71,760.00 €	83,720.00 €	107,640.00 €	131,560.00 €	155,480.00 €	179,400.00 €
	8,916.19 €	17,832.38 €	26,748.56 €	35,664.75 €	47,553.00 €	59,441.25 €	71,329.50 €	83,217.75 €	106,994.25 €	130,770.75 €	154,547.25 €	178,323.75 €
	9,648.75 €	19,297.50 €	28,846.25 €	38,595.00 €	51,460.00 €	64,325.00 €	77,190.00 €	90,055.00 €	115,885.00 €	141,515.00 €	167,245.00 €	192,975.00 €
	7,605.00 €	15,210.00 €	22,815.00 €	30,420.00 €	40,560.00 €	50,700.00 €	60,840.00 €	70,980.00 €	91,260.00 €	111,540.00 €	131,820.00 €	152,100.00 €
<b>Cash Position from sales</b>												
	100,000.00 €											
	26,792.56 €	53,585.13 €	80,377.69 €	107,170.25 €	142,899.67 €	178,617.08 €	214,340.50 €	250,063.92 €	321,510.75 €	392,957.58 €	464,404.42 €	535,851.25 €
	61,932.50 €	123,865.00 €	185,797.50 €	247,730.00 €	330,306.67 €	412,883.33 €	495,460.00 €	578,036.67 €	749,190.00 €	908,343.33 €	1,073,496.67 €	1,238,650.00 €
	35,139.94 €	70,279.88 €	105,419.81 €	140,559.75 €	187,413.00 €	234,266.25 €	281,119.50 €	327,972.75 €	421,679.25 €	515,385.75 €	609,092.25 €	702,798.75 €
	8,397.94 €	16,795.88 €	25,193.82 €	33,591.76 €	44,789.12 €	56,985.50 €	69,181.88 €	81,378.26 €	103,574.64 €	125,771.02 €	147,967.40 €	170,163.78 €
	- €	- €	- €	- €	17,862.28 €	34,724.55 €	52,086.83 €	69,449.10 €	97,775.11 €	130,366.82 €	162,958.52 €	195,550.22 €
	26,792.00 €	53,483.99 €	80,225.99 €	106,967.99 €	131,670.96 €	161,161.94 €	190,652.91 €	220,143.89 €	291,313.53 €	352,483.33 €	413,543.12 €	474,652.92 €

Table 18 Sales Forecast, COGS, Gross Revenue, Gross Results and Gross Profit

The following graph summarizes the Cost of Goods Sold, Gross Revenues and Gross Profit forecast over the first three years of operations. It also shows the impact of Chefs commissions on results. The Chefs commissions will be explained later in this chapter.



*Graph 3 COGS, Gross Revenue, Gross Results and Chefs Commissions impact on Result*

**D. Chefs counterparty analysis**

The objective of this analysis is to determine if Foodie’s TruckZ can generate a sufficient profit out of its TruckZ fleet, while simultaneously upholding its image as a lucrative investment for the chefs.

This analysis allowed the team to determine the percentage of commission that chefs will receive on their sales.

In order to remain relevant to the Chefs, the TruckZ and TrailerZ must generate higher revenue than industry standards. The following commission structure was obtained:

Comission in % after all expenses	
#Trailers	85%
#Trucks	70%

*Table 19 Commission in percentage after all expenses*

Based on those commissions, Chefs reach the following quarterly commissions for a single food TrailerZ or TruckZ, after deducting the company's expenses and COGS:

Quarterly Comission of Foodie's TruckZ Chefs			
Year	2016	2017	2018
#Trailers	8,397.94 €	9,594.94 €	8,147.65 €
#Trucks	16,480.28 €	17,362.28 €	16,295.85 €

*Table 20 Quarterly commission*

As showed in the table above, both TrailerZ and TruckZ entrepreneurs can recover their initial investment (a positive Cash Flow position) during the second quarter of operation which exceeds all industry standards. Moreover, they will benefit from quarterly commission which is higher than industry standards. For example, a TruckZ chef can earn over 17'000€ in three month, which is over 55'00€ a month in gross revenue.

Finally, the impact of these commissions based on the assumptions described earlier on Foodie's TruckZ is:

### Total Chefs commissions

Year	2016				2017				2018			
	1st Q.	2nd Q.	3rd Q.	4th Q.	5th Q.	6th Q.	7th Q.	8th Q.	9th Q.	10th Q.	11th Q.	12th Q.
<b>Assumptions</b>												
<b>Total Fleet Size</b>	1	2	3	4	5	6	7	8	10	12	14	16
#Trailer	1	2	3	4	4	4	4	4	4	4	4	4
#Trucks	0	0	0	0	1	2	3	4	6	8	10	12
#Trailers	8,398 €	16,796 €	25,194 €	33,592 €	38,380 €	38,380 €	38,380 €	38,380 €	32,591 €	32,591 €	32,591 €	32,591 €
#Trucks	- €	- €	- €	- €	17,362 €	34,725 €	52,087 €	69,449 €	97,775 €	130,367 €	162,959 €	195,550 €
<b>Total Comission:</b>	<b>8,398 €</b>	<b>16,796 €</b>	<b>25,194 €</b>	<b>33,592 €</b>	<b>55,742 €</b>	<b>73,104 €</b>	<b>90,467 €</b>	<b>107,829 €</b>	<b>130,366 €</b>	<b>162,957 €</b>	<b>195,549 €</b>	<b>228,141 €</b>

*Table 21 impact of Chefs commissions of Foodies' TruckZ over the first three years of operations*



### E. CF position forecast

This financial analysis results in the following Cash Flow position for Foodies' TruckZ.

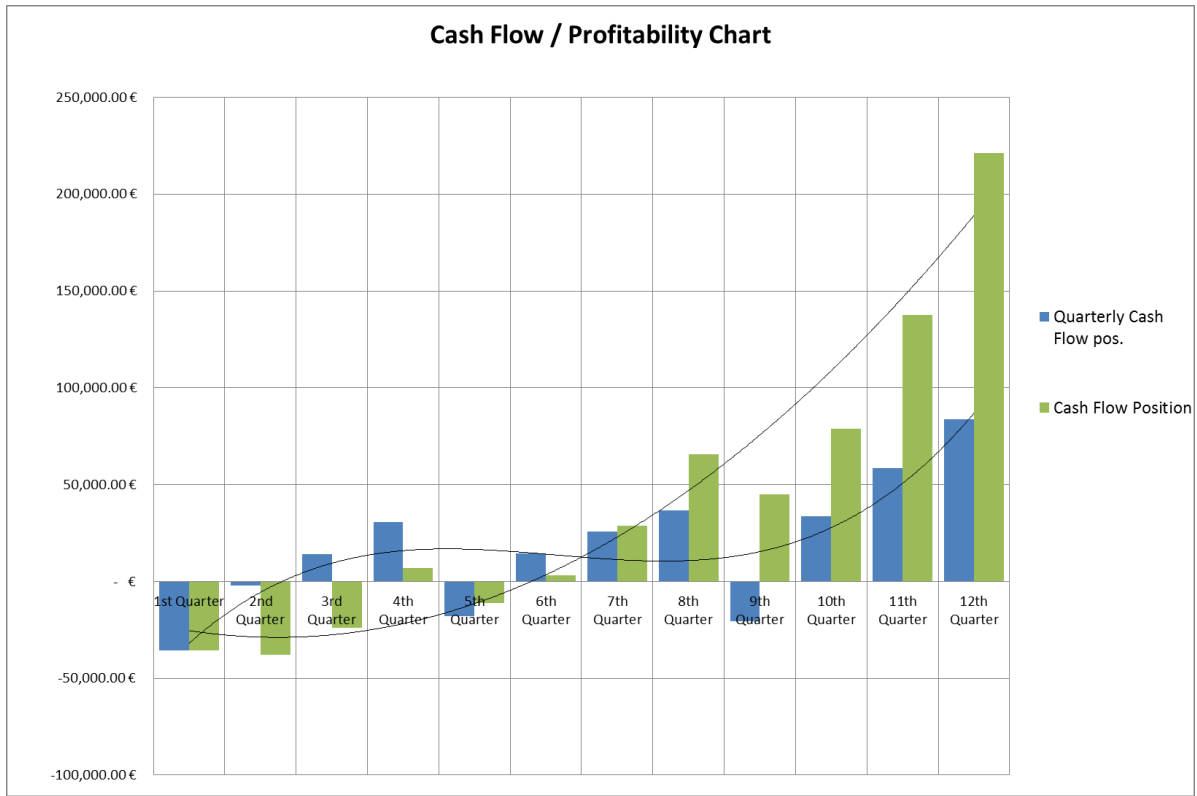


Table 22 Working capital expenditures and Cash Flow position

As shown in the graph above, Foodies' TruckZ will need a total working capital of 40'000€ to operate during the first year. Despite the quick expansion of the fleet size, Foodies' TruckZ's business model of co-investment will allow it to auto-finance its growth as of the second year of exploitation. The table below shows the Cash Flow Quarterly positions data.

## F. Cash Flow Position analysis data

Working capital Expenditure	2016				2017				2018			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Marketing and sales	1,720.00 €	2,920.00 €	4,120.00 €	5,320.00 €	7,020.00 €	8,320.00 €	9,620.00 €	10,920.00 €	13,520.00 €	16,120.00 €	18,720.00 €	21,320.00 €
Renting expenses	3,150.00 €	3,150.00 €	3,150.00 €	3,150.00 €	5,700.00 €	5,700.00 €	5,700.00 €	5,700.00 €	9,000.00 €	9,000.00 €	9,000.00 €	9,000.00 €
Office expenses	1,790.00 €	290.00 €	290.00 €	290.00 €	290.00 €	290.00 €	290.00 €	290.00 €	1,790.00 €	1,790.00 €	1,790.00 €	1,790.00 €
Kitchen expenses	8,500.00 €	- €	- €	- €	9,500.00 €	- €	- €	- €	10,000.00 €	- €	- €	- €
TruckZ & TrailerZ expenses	22,055.00 €	20,655.00 €	21,755.00 €	22,855.00 €	51,940.00 €	46,040.00 €	47,640.00 €	49,240.00 €	105,880.00 €	94,080.00 €	97,280.00 €	100,480.00 €
IT	1,500.00 €	1,500.00 €	1,500.00 €	1,500.00 €	1,500.00 €	1,500.00 €	1,500.00 €	1,500.00 €	2,500.00 €	2,500.00 €	2,500.00 €	2,500.00 €
External expertize	5,500.00 €	1,500.00 €	2,000.00 €	2,500.00 €	7,500.00 €	3,500.00 €	4,000.00 €	4,500.00 €	7,000.00 €	2,900.00 €	3,300.00 €	3,700.00 €
Salary	18,000.00 €	25,500.00 €	33,000.00 €	40,500.00 €	66,000.00 €	81,000.00 €	96,000.00 €	111,000.00 €	162,000.00 €	192,000.00 €	222,000.00 €	252,000.00 €
Other Divers	250.00 €	250.00 €	250.00 €	250.00 €	250.00 €	250.00 €	250.00 €	250.00 €	250.00 €	250.00 €	250.00 €	250.00 €
<b>Total operational EXPENSES</b>	<b>62,465.00 €</b>	<b>55,765.00 €</b>	<b>66,065.00 €</b>	<b>76,365.00 €</b>	<b>149,700.00 €</b>	<b>146,600.00 €</b>	<b>165,000.00 €</b>	<b>183,400.00 €</b>	<b>311,940.00 €</b>	<b>318,640.00 €</b>	<b>354,840.00 €</b>	<b>391,040.00 €</b>
<b>Simplified result</b>												
	2014				2015				2016			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Gross profit	35,139.94 €	70,279.88 €	105,419.81 €	140,559.75 €	187,713.00 €	234,266.25 €	281,119.50 €	327,972.75 €	421,679.25 €	515,385.75 €	609,092.25 €	702,798.75 €
(minus) expenses	62,465.00 €	55,765.00 €	66,065.00 €	76,365.00 €	149,700.00 €	146,600.00 €	165,000.00 €	183,400.00 €	311,940.00 €	318,640.00 €	354,840.00 €	391,040.00 €
(minus) Chief's comission)	8,397.94 €	16,795.88 €	25,193.82 €	33,591.76 €	55,742.04 €	73,104.31 €	90,466.59 €	107,828.86 €	130,365.72 €	162,957.42 €	195,549.13 €	228,140.83 €
<b>Quarterly Cash Flow pos.</b>	<b>- 35,723.00 €</b>	<b>- 2,281.01 €</b>	<b>14,160.99 €</b>	<b>30,602.99 €</b>	<b>- 18,029.04 €</b>	<b>14,561.94 €</b>	<b>25,652.91 €</b>	<b>36,743.89 €</b>	<b>- 20,626.47 €</b>	<b>33,788.33 €</b>	<b>58,703.12 €</b>	<b>83,617.92 €</b>
Initial balance	0	- 35,723.00 €	- 38,004.01 €	- 23,843.02 €	6,759.97 €	- 11,269.07 €	28,945.78 €	28,945.78 €	65,689.67 €	45,063.20 €	78,851.52 €	137,554.65 €
<b>Cash Flow Position</b>	<b>- 35,723.00 €</b>	<b>- 38,004.01 €</b>	<b>- 23,843.02 €</b>	<b>6,759.97 €</b>	<b>- 11,269.07 €</b>	<b>3,292.87 €</b>	<b>28,945.78 €</b>	<b>65,689.67 €</b>	<b>45,063.20 €</b>	<b>78,851.52 €</b>	<b>137,554.65 €</b>	<b>221,172.56 €</b>
<b>Yearly CF position impact</b>	<b>6,759.97 €</b>											
	<b>155,482.90 €</b>											

Table 23 Cash Flow Positions Quarterly over the first three year

## VIII. Conclusion

The Lean Startup approach combined to the more conventional strategic planning tools of business planning and business model canvas allowed the venture team to create a more practical business plan focusing on building an organization over which they can measure data to confirm their assumption to create validated learning.

The text presented an extensive strategic marketing analysis which should act as the foundation for the venture launch. The business strategic planning of “Foodies’ TruckZ conducted in this document suggested 5 key strategic action for the team to take. These were the result of a SWOT. They are:

- Recruiting expert in Food Truck operations
- Creating an MVP (first 3 TruckZ)
- Starting the implementation of the testing feedback loop
- Lobbying local administration to secure high sales potential locations
- Reaching out for high potential Chefs willing to get into the food truck business

These emerge from the 7 key success factors from Porter and PESTEL analyses which were:

- Generating significant economy of scales
- Keeping short order fulfilment time
- Preserving proximity with clients
- Maintaining competitive pricing
- Lobbying administrations
- Reaching different segmentations of the market
- Expanding fast

And from the internal VRIN and value chain analyses which suggested to:

- Create an innovative organization
- Use a Lean Start Up approach
- Expand quickly to generate larger economies of scale

A short market study set the foundation for the financial analysis of Foodies’ TruckZ business model. It also allowed the team to confirm their assumption that most food truck don’t allow enough strategic management and marketing.

The development and implementation strategy showed that Foodies' TruckZ's mission is to create a better place for food truck entrepreneurs and food lovers.

Finally the financial analysis around Foodies' TruckZ business model revealed that the business is financially viable and could finance its working expenditure after 3 months of operations and for an total investment of 38'000€. The financial analysis confirmed that the business model is viable for both chefs and the chain if Foodies' TruckZ versus Chefs commissions over revenues are 15/85% for trailers and 30/70% for food trucks. It also forecasted they the chain could potential reach a total revenue of 2,2million € during its third year of operation.

In perspective this work provides business practitioners and literature an exploration of a new innovative business planning methodology that combines Eric Ries (2011) Lean Startup approach with the more traditional tools of Business Plan (Sahlman, 1997) and Business Model Canvas (Dubosson-Torbay, Osterwalder, & Pigneur, 2001). Additionnaly it provides an illustration for a food truck chain business.

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