

THE BUSINESS OF FOOD TRUCKS



Presented By Blathnaid Bergin

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Introduction

The Business of Food Trucks is a hot topic in 2021. It seems everyone with even a passing interest in food wants to have a mobile food unit. There are companies which now specialise in building, restoring and kitting out these units in anything from a horsebox to a cattle trailer. There is a general belief that it is easier, faster and less expensive than getting into a bricks and mortar café or restaurant. Many people are indeed running financially successful food trucks and really enjoying it. However it pays to do the homework and prepare properly as for any business venture.

Preparing a business plan as would happen when starting any business is a base line requirement so that cash flow projections, expenses and all other considerations are clearly addressed.

Before making a decision to get into a food truck business, there are some facts that it may be prudent to consider.

What follows is an outline guide on the pros and cons of setting up and operating a Food Truck in Ireland today, under the following headings.

1. EXPERIENCE
2. MARKET RESEARCH
3. LAWS
4. LOCATION
5. THE BUSINESS SIDE OF THE BUSINESS
6. A TRIAL RUN IN THE BUSINESS OF FOOD
7. MENU
 - a. BUYING, PREPARING, PREPPING, SERVING, STORING THE FOOD
 - b. COSTING AND PRICING FOOD
8. THE TRUCK
9. THE SYSTEMS – MANAGING DAY TO DAY OPERATIONS
10. THE WEATHER
11. WHERE ARE YOU GOING TO OPERATE THE TRUCK?
12. THIS IS NOT A HOBBY
13. SOCIAL MEDIA – YOUR STORY
14. HIRING
15. WHAT YOU WILL BE DOING WHEN YOU ARE NOT OPEN?
16. WHAT HAPPENS AFTER COVID?

Hot Tip: you are running a business that happens to be a Food Truck

1. EXPERIENCE

Have you considered the reasons why you are hoping to open a food truck?

Is it because you want to start a new career?

Because you love cooking?

Because you are a chef and perhaps out of work because of Covid?

Because you were a chef working for someone else and now want to work for yourself?

Whatever the reasons may be, it would serve you well to seek out an existing food truck operator and ask to do a few days/weeks work experience with them.

There is a lot to be learned from other peoples experience and knowledge.

This would not cost anything and would be a valuable information gathering exercise.

You will discover the following

- If you like it.
- What exactly is involved in managing and operating a food truck on a day to day basis.
- The pitfalls.
- The joys.
- The stamina needed.
- The margins.

EASING INTO IT

Would you perhaps try it out by having a food stall at a local farmers market?

There are long waiting lists to get into some markets but it is worth finding out.

Low cost, low pressure and experience.

You will quickly discover if you would enjoy cooking for a living.

[Irish Farmers Markets](#)

2. THE COUNCIL

If you are hoping to have a food truck which operates on a public and truly mobile basis, the local council office is your first port of call; this may be the beginning and end of your plans. Each council appears to differ in this. The questions you need to ask are the following.

- Are there licences for Food Trucks available?
- Are there changes in the laws/bylaws pending?
- Where is it legal to operate?
- If you have a site in mind, will you get a licence to trade in that location?
- What costs are associated with it?
- What services if any will be available to you?
- What other charges might there be, such as parking?
- If you want to move around, is that permitted?
- If you are going to move from county to county are there charges from each council?
- Where are you permitted to park the truck (overnight) if you don't have that facility yourself?

3. MARKET RESEARCH

- What is your target market?
- Who will your customers be?
- Where are they?
- What are they looking for?
- How often will they buy it?
- What are they willing to spend?
- Are you going to be a private food truck operator?
- Can you form a partnership with another business such as a pub, hotel, tourist attraction, caterer?
- What are their terms and conditions?
- What are their visitor numbers?
- What are their opening times?
- Can you enlist with festivals (can be very costly to take part), special events, private weddings, communions, confirmations, christenings and other family/community gatherings?
- How many food trucks are in your area?
- What kind of service/ food are they offering?
- What is likely to happen to the food truck 'revolution' post covid? Will councils be more stringent than before?

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LIST OF LEGAL OBLIGATIONS

TASK	COMMENT
1. Revenue – register the business	www.revenue.ie
2. Bank – set up a business bank account a. DO NOT MIX PERSONAL AND BUSINESS FINANCE.	
3. Register business name.	www.cro.ie
4. Food Safety a. FSAI is very good resource for advice on food safety implications when setting up the business. Comprehensive guides. b. All operators need the Primary Cert in Food Safety c. Can be done online with the National Hygiene Partnership.	Depending on the menu, you may be allowed to prepare the food in your own kitchen. Check out the legislation at the FSAI website link above. National Hygiene Partnership
5. Local Council Laws a. Licences b. Permission to Trade c. Parking	Individual Councils Regulations differ. Some councils have a preference for a particular ‘look’ such as Retro or Vintage or American Style.
6. Health and Safety a. Safety Statement	www.hsa.ie BeSmart Free Tool for Safety Statements
7. Driving Licence – will you need to take a test	Road Safety Authority
8. Waste Management	Environmental Protection Agency Green Hospitality Food Waste Charter
9. Price Display	Pricing Display Laws - EU
10. IMRO- Music Licence a. If you play music in your truck you must have a licence from the Irish Music Rights Association.	Irish Music Rights Organisation
11. Employment Law	Advise getting professional guidance from an Employment Law Lawyer before hiring anyone. DO NOT hire family and friends if it can be avoided.
12. Licensing Laws a. If you serve alcohol, you must have a licence	Revenue - licences
13. Insurance a. Vehicle b. Public Liability c. Product Liability d. Employer Liability	It may be possible to get an overall package to cover all of these. Many sure that you know what is not covered.
14. General Data Protection Regulations- GDPR	Data Protection Act
15. Weights and Measures	Weights & Measures

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THE MENU

The menu must come first. Decide what food is going to be your signature, what is going to set you apart from the rest, what will spread the word fast.

Once the menu is decided – a short menu or 5-6 items done to a very high and fast standard is always preferable to a long, cumbersome (slow) menu – spend time

- Testing the recipes
- Tasting the recipes
- Cooking and serving the recipes in a situation as close to that of a real scenario as possible.
- Costing and Pricing the recipes- *it's a business, it's about making a profit.*
- Write up these so that anyone you hire can make them up.
- Use photographs to illustrate how the food should be served.
- Test how food that is prepped offsite travels.
- Where is the food going to be prepped, stored?
- How is it going to be transported? Test different methods of transport for that food.
- What refrigeration will be needed on and off site?

Unlike in a bricks and mortar café/restaurant/ bar where many factors make up the customer experience, a food truck has two key elements which are the basis of that customer experience; **the quality of the food and the speed of service.** By its nature, customers will have to queue, they may be doing so in hot, cold, wet, damp or windy conditions. The speed at which you serve them will doubtless influence whether or not they return.

During Covid, the general public have been more willing to stand in a queue for long periods because there are no other options, however when life returns to normal, there will be many more options and competition will be keener.

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These are the two key elements on which your food truck business will either survive or not.

Time needs to be taken to decide what type of food you will prepare and how you will serve it.

A short menu of foods that can be 95% prepped off site is preferable.

What type of food offering is missing in your area?

What type of food will you be able to do exceptionally well?

The menu will dictate the following

- Size of truck, trailer
- Equipment – **only buy what the menu needs.**
- Space needs both in truck and off site for food preparation.
- Work flow
- Strength of suspension needed in truck – depending on weight of equipment.
- Water Tank needs – if you are making coffee/tea.
- Electricity needs
- Generator Needs – **it is always preferable to be able to link to electric power.**
 - If a generator is absolutely necessary, it must be QUIET.
 - It is worth spending money on a good quality, quiet generator.
- Electricity Needs
- Takeout Containers – size, shape, quality, sustainability.

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THE TRUCK /TRAILER

This is where many people end up spending a lot of money and getting a poor deal in return. There are companies out there now who deal specifically in food trucks/trailers.

Research them all, compare and contrast.

See how their trailers match to your specific needs.

Bring an **experienced truck mechanic and a qualified electrician** with you to check out the

- electrics,
- engine,
- suspension,
- gears,
- wear and tear,
- mileage,
- advice on generators.
- Tyres
- Driveshaft
- Brakes
- Wiring
- Transmission
- history of the vehicle

If you are going to convert a trailer to a food truck, make sure that you have an engineer on board to sign off on all the safety issues which may arise from work not being correctly carried out.

The design of the truck/ trailer will be informed by the menu.

The truck will be the biggest expense, a great deal of money will be saved by paying the experts to make sure what you are buying is a good investment.

Truck Licence: Do you need a special licence to drive or tow the vehicle? Check this out with the [Road Safety Authority](#)

Can you drive a truck?

Can you haul a trailer behind a car/ jeep?

Where are you going to park it?

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MARKETING

Social media now gives businesses the opportunity to tell their story in real time. If you are setting up your business, start relating your story on social media i.e. Instagram / Facebook, from the early stages. People very quickly become engaged with an interesting story of an entrepreneur taking a risk especially in the current business climate.

Post daily updates on how the project is progressing including setbacks, which will all draw in your audience and create an audience for your business when it opens up.

HIRING STAFF

As you are running a business, hiring staff has legal implications.

Contact [Department of Enterprise, Trade and Employment](#)

Do not Hire family and friends unless on a formal contract basis.

Do Not Hire someone without any formal documentation as required by law.

Hiring staff is a big responsibility and needs professional assistance as outlined above.

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THE BUSINESS SIDE OF THE BUSINESS

1. As above, this is a business, all business rules apply.
2. **REVENUE:** Register the business with revenue.
3. **C.R.O.** Register with the Central Registration Office
4. **BANKING:** Open a Business Bank Account.
5. **BANKING:** set up a second bank account into which you will put monies to pay for the following – it is like a savings account
 - a. Bank loan repayments
 - b. VAT
 - c. Employer taxes
 - d. Holiday pay – for employees
 - e. Maintenance – should a large piece of equipment or the truck itself needs major repairs.
6. **MANAGING FINANCES:** DO NOT MIX PERSONAL AND BUSINESS FINANCES.
7. **BOOKKEEPER:** Hire a good bookkeeper to keep your affairs in order.
8. **ACCOUNTS:** Set up a system so that you know at the end of every week how you are performing financially.
9. **PRICING:** Cost and price dishes accurately
 - a. [Failte Ireland Food Costing Tool](#)
 - b. Ensure that correct VAT rates are applied to all dishes on sale. Revenue website.
10. **FOOD SAFETY:** Register with the Food Safety Authority – local Environmental Health Officer.
11. **FOOD SAFETY:** Complete the Primary Cert in Food Hygiene – National Hygiene Partnership
12. **INSURANCE:** Take out insurance as outlined above
13. **CASH:** Set up a robust cash management system – although more people are using cards, there is still cash in use.
14. **STOCK MANAGEMENT:** Monitor stock going into the truck so that you know how much money should be in the cash register.
15. **EMPLOYMENT LAW:** ensure that the hiring process is in line with the law as above.

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16. SYSTEMS;

All parts of the business need to be built on robust operating systems such as

- a. Opening and closing lists.
- b. Standard Recipes costed, priced and photographed.
- c. Procedures for operating all the machines in the truck.
- d. What to do in an emergency.
 - i. Fire
 - ii. Theft
 - iii. Breakdown
 - iv. Disputes
- e. A list of contact details for key people such as all staff, the mechanic, electrician, coffee supplier (if you serve coffee), food and other suppliers.
- f. All statutory training carried out with employees
 - i. Manual handling
 - ii. Fire Safety
 - iii. Food safety
 - iv. Safety statement – BeSmart Tool above.
- g. Order of Work for each employee each day in the truck.
- h. Cleaning Schedules
- i. Food Displays

PARTING THOUGHTS

You will be running a business. All business rules apply.