

Disclaimer: This resource was developed with the help of Stephanie Markakis-Plouffe from Fork & Spoon Business Consulting. Rise is in no way providing formal advice around the food business. Please consult with a business industry expert to further explore the food industry.

Whether you've been getting rave reviews for your signature dish or are looking to introduce your recipe to the world, starting a food business takes some careful consideration and planning.

Market research

Do some market research before launching your idea. This will help you understand whether the market is already saturated. Do your research by visiting farmers markets, checking out Facebook and Instagram, and using Google.

Product research

Test your products at places like farmers market or host a tasting party with family, friends and coworkers. In the beginning, you can ask straightforward questions like, "was it good or bad?" Aim to collect feedback from at least 15 to 25 people.

Branding

Consistency is key! From the name of your business down to the colours you use for your logo, packaging, store front or farmers market table, be consistent. Use the same look, style and tone across every platform, including digital. When choosing your brand colours, consider their meaning: <https://www.entrepreneur.com/video/234861>.

Suppliers

Do your research and get as much information as you can on potential suppliers. Ask questions such as: Do they need a credit check? What kind of payment do they accept? What is the minimum spend they require to place an order? If you wish to work with local suppliers, make sure they are provincially inspected and approved before using them.

License, permits, and insurance

One of the most important steps to starting your business is registering it. You can choose to either register as a sole proprietor or to incorporate your business. You'll also need a food handling certificate. Insurance is another important aspect of business ownership, and you'll need to get insurance appropriate to your business. Call an insurance broker for help understanding what your options are. You will need liability insurance (\$1M - \$2M), with a caveat for food poisoning. Depending on where you are selling your food from, you may require building insurance, or if a food truck, vehicle insurance.

Labelling

If you are selling your products at farmers markets, in a retail store, or to the general public, the Canadian Food Inspection Agency (CFIA) requires that you have ingredient and nutritional fact labels. Check out this link for the latest updates on labeling:

<https://inspection.canada.ca/food-label-requirements/labelling/industry/food-labelling-requirements-checklist/eng/1393275252175/1393275314581>

GS1

If you are thinking of selling your products at the retail level, you will need to contact GS1. GS1 is a global company that provides and monitors the UPC codes (scan codes) you find on products.

Costing and Budgeting

This is THE most important part of your business. You need to understand the true cost of what it takes to make your food/products, so you can figure out how to make a profit. To start, you will need to calculate how much it costs to make each of your recipes. Try using www.Recipal.com. After you've input everything in Recipal (which takes time and patience, but is worth it!), take the number it gives you and add your packaging and label costs to get your "total cost." Add another 20-50% to that total to determine the price that you'll sell it to your customers for.

Loans and Investors

If you require a loan and you are in Alberta, ATB is the place to go. It offers a really good entrepreneur program. If you're elsewhere in Canada, speak to your local bank to see what loans they have available that will suit your business. I also recommend you check out Rise, as they are a good resource.

What are your startup costs?

There are some standard costs like registering your business name (sole proprietor or incorporation), acquiring your business license, purchasing equipment, packaging and ingredients. Additionally, if you plan on a physical presence, you'll need to look at rental costs for a commercial kitchen or your location. Finally, marketing your new business to get your first customers will also need to be accounted for.

About Stephanie

Stephanie brings with her 20 years of experience in the food industry. She has worked in many different capacities within the food industry—from assistant restaurant manager and head baker, to volunteering as a sous chef and staff coordinator for organizations around Edmonton. Stephanie has prepared and cooked meals for over 300 people.

Over the past six years, she has operated her own bakery aptly named Treats Baked by Stephanie, which serves local cafes and farmers markets in the metro Edmonton area.

In 2019, she achieved her certification as a Business Coach and began Fork & Spoon Business Consulting and has since coached and mentored numerous food industry business owners and has seen them succeed and grow. www.ForkandSpoonBusinessConsulting.com