

# JAPANESE GOURMET “PARK-AND-DOCK” FOOD TRUCK: A BUSINESS PLAN

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STRATEGY IN PRACTICE

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## Summary

This thesis presents the process of creating a business plan, including the resultant business plan of a Japanese gourmet yatai-themed food truck in Manila, Philippines. The food truck employs a “Park-and-Dock” concept, a model conceived by the Author, which allows the food truck to become both a stand-alone truck during daytimes, and a truck which serves as a kitchen of a casual pop-up restaurant in the evenings. The food truck is called “Girigiri”, a Japanese onomatopoeia which means “at the very limit; at the last moment”. Along with an easy name-recall, the word - as interpreted by the Author – embodies a nuanced meaning of “living life on the edge”. This meaning also reflects the brand image that Girigiri aims to showcase: a food truck that is quick, casual, and edgy.

Beyond the business plan itself, this thesis probes into the process of crafting the business plan which includes uncovering the Author’s entrepreneurial motivations, investigating the status quo and the opportunities of the food industry in the Philippines, evaluating Filipino consumer behavior and preferences towards Japanese food, analyzing “lessons learned” from entrepreneurs, and subsequently establishing guidelines and key actions to be reflected in the resultant business plan.

Therefore, the business plan herewith presents a comprehensive description of the business, and the strategies (as derived from the results of the business planning processes) to be employed to ensure success and sustainable competitiveness. The business plan covers the entire facets of business management including organization, operations, marketing, finance and budgeting, among many others. Plan B and exit strategies are also crucial components of a business plan, and

henceforth, have been put in place in this thesis to offer alternatives in the unfortunate event of decreasing sales and unrecoverable losses.

This thesis aspires not only to theoretically produce a business plan allowing the readers to acquire familiarity and understanding of business plan writing; but more so, this thesis aims for a business plan that is realistic, scalable, and viable. In the near future, this business plan of a food truck is hoped to become a reality, and hoped to reach the maximum potential growth that the Author envisions it to achieve.

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## CHAPTER 1. INTRODUCTION

Food trucks, or casually known as “Food on Wheels”, have been expanding in many nations worldwide as an affordable, casual, no-frills, and an occasional experiential alternative to full-service restaurants. According to an industry report from IBIS World, the food truck business in the US pulls in an estimated \$804 million in revenue every year (“Food Trucks Industry in the US”, 2019). The Philippines, a growing Asian economy, has been on a similar upward trend - albeit slowly and with caution. The Philippines though, a trend-loving nation, has yet to experience the boom of a food truck phenomenon where “food truck” or a similar catchphrase will become a household buzzword.

For food-loving and service-oriented entrepreneurs, food trucks are instinctively thought of as a less complex and affordable means to jump into the Food and Beverage (F&B) industry. After all, when the capital is significantly less, business creation is similarly less time-consuming, and business operations likely require less maintenance. In other words, a food truck business allows entrepreneurs to *Fail Fast, Fail Cheap*.

This thesis will delve into uncovering the process of business planning of a Japanese food truck in Manila – commencing from the unpacking the Author’s (The Owner) motivations, the analysis of the market, the process of determining the food and service offering, and concluding with the layout of the guiding principles and key actions to ensure success and sustainable survival of the business.

Manila has been chosen as the location of the business for 2 reasons. Firstly, the Author is a Filipino who has lived in Manila for 22 years. The knowledge of communications, culture and business systems will allow the Author to easily adjust to the local conditions and conduct businesses. Secondly, Manila is a rapidly developing country where the middle class who now has higher purchasing power

more than ever has grown in number over the years. The market of food truck in Manila is yet to explode, and now is the opportune time to establish a good footing in the industry.

This thesis is divided into 4 parts: the *Introduction*, where the Author bares his motivations and objectives in setting up the food truck; the *Business Planning Framework*, where the Author sets up a process of investigating the Market trends – consumer, competitors and the impact of the Filipino cultural peculiarities; the *Business Plan*, where the development of an actual business plan is comprehensively illustrated; and the *Conclusion*, where the Author summarizes the thesis and key takeaways.

## **SECTION 1.           MOTIVATION**

There are a few reasons why a food truck business planning was chosen as the thesis subject of the Author. Firstly, since working as an Architectural Project Manager who has not maximized his creative faculties in his professional career, he turned into honing his culinary skills as an alternative channel to showcase creativity with the intent of opening his own full-service restaurant in the near future. Secondly, taking into consideration the Author’s lack of experience in entrepreneurship, a food truck business has some significant advantages for a beginner - among which are the relatively low cost of production and fast entry to the market despite strong competition from small and big players. Secondly, the service industry in the Philippines is one of the fastest growing domestic industry as reflected on the 2018 GDP Growth Rate (“Philippine Gross Domestic Product (GDP)”, 2018). In contrast, the food truck industry remains to be relatively small; however, it shows a hopeful continuous upward trend. This is a market niche which begs to be explored. Lastly, as a food truck business plan writing is comparatively less complex compared to a full-service restaurant business plan, the entire thesis process will give the Author an essential and comprehensive experience in business plan writing, revealing salient points and lessons to be learned to ensure business success. This experience of crafting the business plan from beginning to end will become a prototype experience for future business planning that the Author may wish to pursue moving forward.

## **SECTION 2.            THESIS OBJECTIVES**

This thesis primarily aims for three objectives: to be able to analyze the Filipino F&B market strategically, to be able to write a comprehensive business plan for the purpose of familiarity, and to create a business plan that can be readily deployed in the real world. To further expound the objectives in detail:

- To develop a Business Plan Framework to conceptualize a Japanese food truck business in Manila, and to deploy a process to investigate and analyze the market, determine cultural peculiarities in doing business in Manila, and find strategic and competitive advantages via differentiation and focus.
- To develop a comprehensive business plan of a Japanese food truck in Manila which covers the entire facets of business management from market analysis, concept-making, operations, marketing, finance, and others, in order to provide the Author and Readers the familiarity and understanding of business plan writing.
- To create a business plan, via this thesis, that is realistic, scalable, and readily achievable. In the near future, this business plan of a food truck is hoped to become a reality.

All the objectives mentioned above are Objectives not solely benefiting the Author, but also those who are interested in establishing their own ventures in general in the realm of F&B, particularly in Manila.

## **SECTION 3.            RESEARCH METHODS**

The research for this thesis is formed and demonstrated using 4 research methods: Desk Research, Field Observation/ Reconnaissance, Interview, and Consumer Survey.

- a. Desk Research is primarily gathering information through various online and printed literature on business trends, marketing, finance, strategic management, precedent business plans, and others. The Desk Research is the theoretical backbone of this thesis.



- b. Field Observation/ Reconnaissance is the physical observation of the major neighborhoods of Metro Manila to qualitatively and quantitatively determine consumer behavior and trends, to obtain relevant information about the main competitors and other market players, and to determine possible locations of the food truck. Specifically, Field Observation is performed to assess the foot traffic and urban dynamics of the different neighborhoods in Metro Manila. Poblacion in Makati and Kapitolyo in Pasig were given more attention in the reconnaissance as they are deemed to be the “locations of interest” by the Author.
  
- c. Interviews will take place face-to-face with Filipino entrepreneurs in 3 different markets and concepts in the F&B industry: food trucks, Japanese cuisine restaurants, and full-blown chain and restaurants. These entrepreneurs have been players in the domestic F&B market for at least 5 years and have gone through extensive experiences in the local market. Their quantitative responses: beliefs, opinions, attitudes, perceptions and motivations will be studied and analyzed to aid in determining pain points, current trends and strategic responses, and factors to success in running businesses.
  
- d. Consumer Surveys will be performed online to Filipino consumers from different backgrounds and age groups to quantitatively gain access to Filipinos’ preferences to Japanese cuisine, their impression on the food truck culture in the Philippines, their sensitivity to pricing, and the general personal preferences with regards to the food industry. The questions to be asked in the survey form will be derived from the responses of the entrepreneurs’ interviews. The results of the survey then will further validate or even challenge the opinions of the entrepreneurs. The subsequent analysis will be important pieces in mapping out guiding principles and keys to success.

## CHAPTER 2. BUSINESS PLANNING FRAMEWORK

Part 2 of this thesis examines the main framework which consolidates the market research findings, and accordingly, serve as a systematic guide by which the market is analyzed, how the pain points are determined, and how the business strategies are formed. Fundamentally, the Business Planning Framework shown in *Figure 1* is divided into 4 main layers. The 1st layer, **Market Analysis**, is the in-depth examination of the market via analysis of trends, growth, market players, impact of Authorities and cultural peculiarities. The second layer, **Pain Points**, involves the determination of pain points learned through experiences and behaviors of existing market players. The subsequent layer, **Product Offering**, involves the conceptualization of the best product and services offering to consumers to meet their unmet needs and current wants – as learned through the 1<sup>st</sup> and 2<sup>nd</sup> layers. Lastly, the 4<sup>th</sup> layer, **Key Actions**, will juxtapose lessons learned from entrepreneurs with the 4 main categories of business management, and subsequently develop key actions/ guiding principles to be employed in the resultant Business Plan.

This Part 2 of the thesis is a critical component of the study laying out the creative and strategic methodologies crafted by the Author to ensure a smooth entry and survival in the competitive F&B market. Each layer of the framework will be discussed in detail in the following sections.

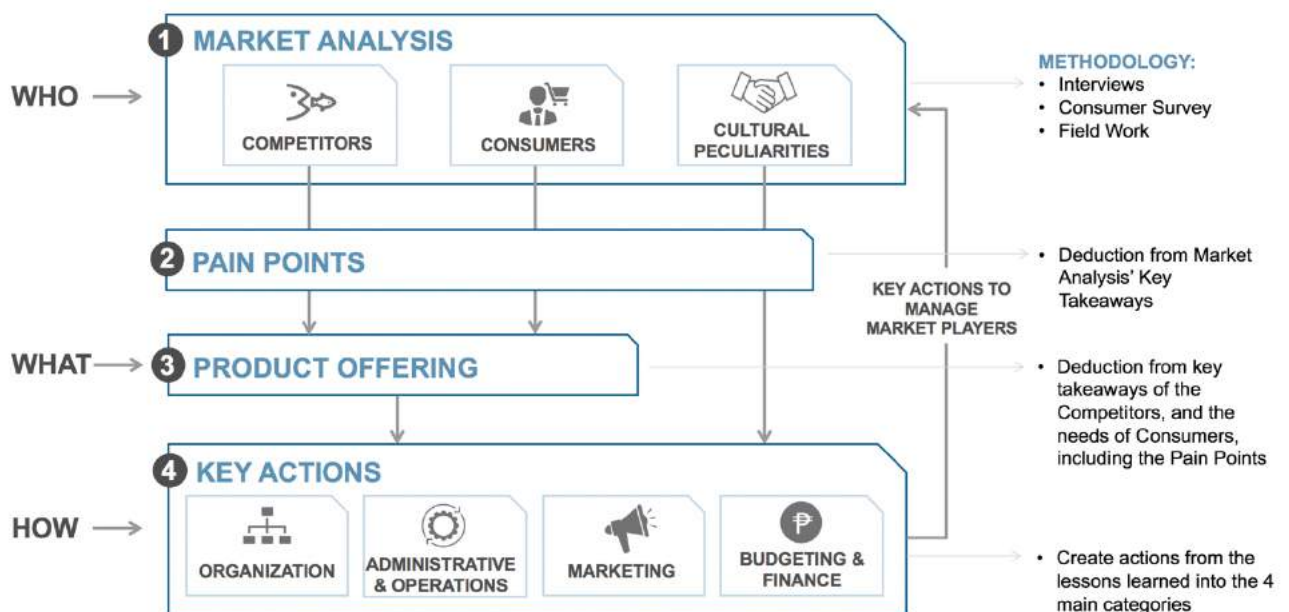


Figure 1 - Business Planning Framework

## SECTION 1. INDUSTRY ANALYSIS

Before delving into the details of the Business Planning Framework, it is worthwhile going through the state of affairs of the Philippine F&B industry. According to a feature report from The Business World by Andrew J. Masigan, Filipinos have more disposable income in recent years more than ever (Masigan, 2017). Masigan infers that remittances from overseas Filipino workers, robust IT-BPO earnings and consistent infrastructure spending have led to Filipinos spending on the 4F's: fashion, furnishings, fun, and food. Specifically concerning with food, the report (while citing a marketing survey) mentioned that groceries and supermarkets are selling fewer items recently as more people are inclined to eat out.

A quick and comprehensive facts and figures of the domestic market was also shared in the same report citing a survey performed by the Department of Trade and Industry (DTI). *“The latest formal audit conducted by Department of Trade and Industry (DTI) revealed that as of the beginning of 2016, there were approximately 6,652 full-service restaurants, 4,477 fast-food restaurants, 3,772 food kiosks, 3,748 cafeterias, and 1,445 bars & pubs operating in the country...The survey further showed that the food industry generated robust revenues throughout the period of audit. Full-service restaurants generated the most gross income, raking in P158.1 billion; fast-food chains generated P144.8 billion; food kiosks earned P17.7 billion; cafeterias took in P15.8 billion while bars & pubs made P10.9 billion. Interestingly, only P4.9 billion was generated through e-commerce (or online ordering and delivery services). This suggests that Filipinos still prefer to dine within the restaurant premises...In terms of profitability, the industry had an average income and expense ratio of 1:19. In other words, for every one peso spent by a food establishment, one peso and nineteen centavos was generated back. This is a higher rate of return that most other industries...The trickle-down contribution of the food service industry to the economy is substantial as well. Collectively, the industry spent P395.3 billion on their respective supply chains, salaries, rent and other operating expenses. As a result, the food service industry contributed nearly 3% to gross domestic product.”*

While there are no official surveys to determine the ratio of home-cooked versus dine-in consumers, the year-over-year increase of spending contributing to nearly 3% to gross domestic product, the F&B industry market in the Philippines remains fully optimistic. The market also remains big with an upward trend. However, when the market is big, there is bound to be powerful competitors that may potentially kill new entrants. However, the market is big and growth is positive enough to absorb new entrants with a promise of equalized level of playing field – but only applicable to those who are able to fight smart and right. The question therefore is how to effectively and efficiently attack the competitors head on by tapping into the right needs and wants of the consumers, and strategically responding to economic instabilities and ever-changing regulations.

Restaurants, including food trucks as a sub-categorization, compete with companies that serve meals or prepared foods, including grocery stores, warehouse clubs, delis, and convenience stores. In addition, restaurants compete with home cooking. In the Philippines, majority of the F&B establishments focus on Filipino cuisine, with a relatively large number of global chain fast food and restaurants (Jollibee, McDonalds, KFC, Starbucks, etc).

Demographics, consumer tastes, and personal income drive demand. The profitability of individual companies can vary: while fast foods rely on efficient operations and high-volume sales, full service restaurants rely on high-margin items and effective marketing. Large companies have advantages in purchasing, finance, and marketing. Small companies can offer superior food or service. The industry is labor-intensive (“Restaurants”, n.d.).

## **SECTION 2. MARKET ANALYSIS**

The first layer of the Business Planning Framework involves the Market Analysis. From interviews performed, it has been concluded that in entering the food truck business in the Philippines as a new entrant, there are primarily 3 drivers that will impact the decision to enter and succeed - the

3C's: Competitors, Consumers and Cultural Peculiarities. All these 3 drivers will be discussed in full detail in this section.

## **SUBSECTION 1. COMPETITORS**

In the realm of entrepreneurship, it has been repeatedly said that the more knowledge one has over the industry, the better prepared one will be before jumping into potential opportunities. Henceforth, in analyzing the competitors, there are 3 actions to be performed: interview existing entrepreneurs (whose businesses are also deemed as competitors), create a list of competitors within the locations of interest, and lastly, create a Positioning Map to look into possible market gaps and niches.

### **A. INTERVIEWS WITH ENTREPRENEURS**

Three separate interviews were conducted to young Filipino entrepreneurs in 3 different markets within the F&B industry. To discuss the food truck scene in the Philippines, **Lyle de Leon** was interviewed. Lyle de Leon is the current President of the Philippine Mobile Food Truck Association, and the Owner of “The Soul Food Truck” and “Kuyang Food Truck”, the first franchisable food truck in the Philippines. To discuss the Japanese restaurant business in Manila, the entrepreneur-couple **Jacob Bautista and Celine Bautista** were interviewed. They are the current owners of “Asakusa, Home of Tempura”, a Japanese full-service restaurant with 5 branches in Metro Manila. Lastly, to discuss about the trends in big scale restaurant business in the Philippines, the entrepreneur-couple **Lloyd Lee and Shamcey Supsup** were interviewed. They are the current owners of “Pedro ‘n Coi” – a group of 14 Filipino-themed fast food and restaurants within Metro Manila.

The interview questions were categorized into 4 main categories exploring their respective F&B markets. The questions probed into the success factors and strategies of business management, the struggles of an entrepreneur in the Philippines, the preferences of Filipinos with regards to

Japanese cuisine, and the food truck scene in the Philippines. Each interview was held for a minimum of 1 hour.

A summary of the main points discussed throughout all interviews can be found in the Appendix 1. Meanwhile, the salient points of the summary are detailed below.

a. **The keys to success in the F&B industry include providing high quality of food, ambiance and service.**

These 3 factors are usually what entrepreneurs would hear from customers in terms of praise or complaints. The food requires to have a good taste and sufficient serving portion. The ambiance requires the food establishment to have good furniture, decors, lighting, mood settings, to the point of being “instagrammable”. Lastly, good service requires the food establishment to have properly trained staff when receiving orders and when communicating with customers, and to have an efficient kitchen assembly line that acknowledges short waiting time for customers.

b. **Casual dining establishments (fast-food and foodcourts) are the main competitors of food trucks**

The rise of fast-food and food courts in the Philippines can be attributed to the shopping mall boom in almost every busy district of Metro Manila. The economies of scale, accessibility and price competitiveness of shopping malls are their main strategic advantages. At lunchtimes, the price of a meal in a fast-food can go as low as less than ₱100 – which is way below the average price of a food offering in a food truck. Furthermore, the culinary offering of the majority of fast-food is, as expected, casual Filipino comfort food. There are few Japanese restaurant players in the fast-food industry, but only 1 in the food truck industry. This is in part due to the rare and expensive ingredients from Japan, which sometimes require the ingredients to be fresh.

**c. The restaurants generally tweak the taste of their food to suit the Filipino palate**

Filipino foodies, according to the entrepreneurs, generally prefer the food to taste sweet and salty – primary taste preferences of an average Filipino. However, when restaurants are named after, and/or manned by a chef from a different country (say a Japanese chef manning a Japanese restaurant), then the taste need not be adjusted. These restaurants usually are high-end restaurants catering to upper socio-economic class, and are expected to have authentic taste. However, for fast-food chains catering to the masses, the taste certainly needs to be adjusted to the Filipino palate, according to the entrepreneurs interviewed.

**d. The menu for food trucks is generally small and is expected to be experimental**

To ensure quick food preparation and cooking, the menu must be limited. It has to be “small menu but constantly evolving” rather than a “big menu but doesn’t move at all” as mentioned by Bautista during the interview. A small menu allows the chef to create seasonal dishes to keep customers wanting for more, and/ or to easily customize the menu should there be catering events. Furthermore, food trucks are usually deemed as food establishments where food offering are usually creative and experimental; therefore, adhering to the authentic taste may not necessarily be a key to success – especially in the context of the Philippines where Filipino taste is strong and prevalent. Successful food trucks are those who has limited and simple food offering but is very well-known for their “classic menu”. This classic menu is usually combined with simple side dishes which can be easily changed overtime as part of the seasonal/ limited time-offer food offering.

**e. Social media are the main sources by which customers get to know about a food establishment**

For business owners, Facebook and Instagram are still the main channels by which customers organically create a buzz on behalf of the businesses. This channel is closely followed by word-of-mouth, then online review applications such as Zomato and Google Maps. For this reason,

entrepreneurs continue to make their online presence known using these channels as a means to market their respective businesses.

**f. Location, location, location – remains to be one of the main key success factors**

Food trucks can be mostly seen in parks/ recreational areas, followed by office/ business districts, and then at concerts or private event venues. Food trucks as mobile restaurants may seem to have an upper hand in the location game as they can be wherever there is demand. However, in the Philippines, the mobility of a food truck is its own disadvantage as each local Authorities have different regulations - many of which deem food trucks to be in the gray zone. Because of this, locating a space to park a food truck can be difficult. Not only would one need to find a space to park which does not interfere with traffic and profitability of surrounding businesses, the entrepreneur must also ensure that the food truck is allowed within the locality to begin with.

**g. Food trucks must be designed such that it can be easily evolved to suit the circumstances, season or events**

The advantage of food trucks is that the mobile truck itself can be fitted-out for less money compared to a full-service restaurant. When the business is slowly failing, simply changing the stickers will affect the overall design and spice up the food offering, and immediately can refresh the business to something brighter, more creative and more optimistic.

## **B. LIST OF COMPETITORS**

As there are hundreds of Japanese restaurants, fast-foods and many other food trucks (of different cuisines), only the competitors currently in operation in 2 locations of interest will be observed and analyzed. These 2 locations are Poblacion in Makati, and Kapitolyo in Pasig. Further description about these locations, and reasons why they were chosen, will be discussed in Part 3 Business Plan.



Before delving deeper into the analysis of the graph, it is important to recognize the socio-economic classification of the Philippines. As categorized by the Philippine Statistics Authority, there are 5 main divisions of Filipino families by income class (“Table of Distribution of Families by Income Class, by Main Source of Income and by Region”, 2015). Based on the annual household income in Pesos, the classes are divided as follows:

A - 250,000 and over

B - 100,000 - 249,999

C - 60,000 - 99,999

D - 40,000 - 59,999

E - Under 40,000

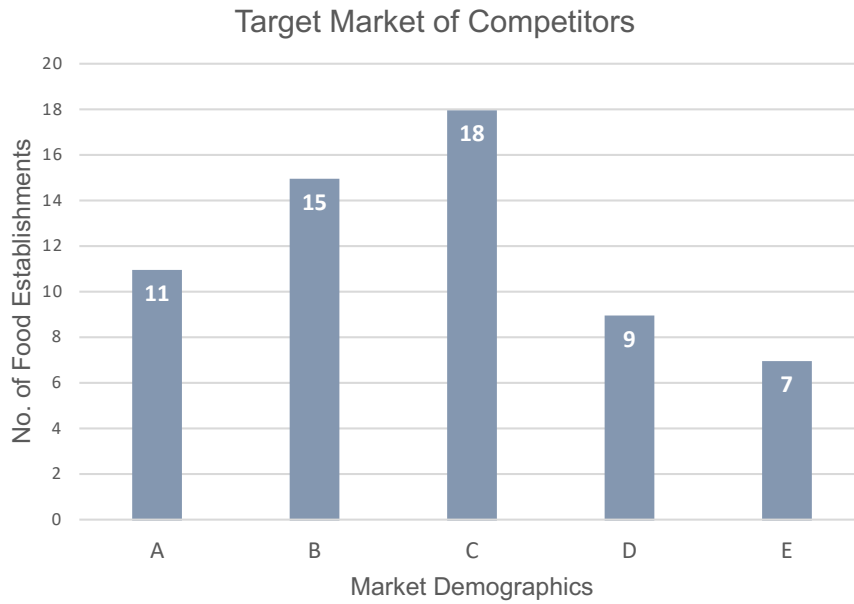
The Table of Competitors’ Profile as shown in *Table 1* is a listing of the food establishments and their corresponding profiles: food offering, target market and price point (average price of 1 meal per person).

Restaurant	Establishment	Food Offering	Target Market	Price Point	Opening Hours
Kaito Japanese Carinderia	Carinderia	Mixed Washoku	D-E	200-350	Lunch-Dinner
Izakaya Kikufuji	Izakaya	Mixed Washoku	B-C	500-750	Lunch-Dinner
CoCo Ichibanya	Fastfood Chain	Curry Rice	A,B,C	500-750	Lunch-Dinner
Soru Izakaya	Izakaya	Mixed Washoku	A,B,C	750-1000	Lunch-Dinner
Ramen Cool	Restaurant	Ramen	A,B,C	350-500	Lunch-Dinner
Haru Sushi Bar and Restaurant	Restaurant	Mixed Washoku	A,B,C	500-750	Lunch-Dinner
Caution Hot!	Fastfood	Ramen	C,D,E	200-350	Lunch-Dinner
Genki Sushi	Fastfood Chain	Sushi	All	350-500	Lunch-Dinner
Marufuku Japanese Restaurant	Restaurant	Mixed Washoku	All	500-750	Lunch-Dinner
Tok-yu	Restaurant	Mixed Washoku	C,D,E	200-350	Lunch-Dinner
Takashi Japanese Cuisine	Restaurant	Mixed Washoku	A,B,C	350-500	Lunch-Dinner
Katana-Ya	Izakaya	Mixed Washoku	A-B	500-750	Lunch-Dinner
Happy Niku	Izakaya	Niku and Yakitori	A,B,C	500-750	Lunch-Dinner
Ichika Japanese Grill	Restaurant	Mixed Washoku	A,B,C	350-500	Lunch-Dinner
Kanojo-Dansei Ramen House	Izakaya	Ramen	C,D,E	200-350	Lunch-Dinner
Sumo Sam	Fastfood Chain	Mixed Washoku	B-C	350-500	Lunch-Dinner
Teriyaki Boy	Fastfood Chain	Mixed Washoku	C,D,E	Less than 200	Lunch-Dinner
Mendokoro	Restaurant	Ramen	A,B,C	350-500	Lunch-Dinner
Ser Chef	Food Truck	Filipino Cuisine	B,C,D	Less than 200	Lunch-Dinner-Events
Soulfood Truck	Food Truck	Western Cuisine	B,C,D	Less than 200	Lunch-Dinner-Events

**Table 1 - Table of competitors’ profile**

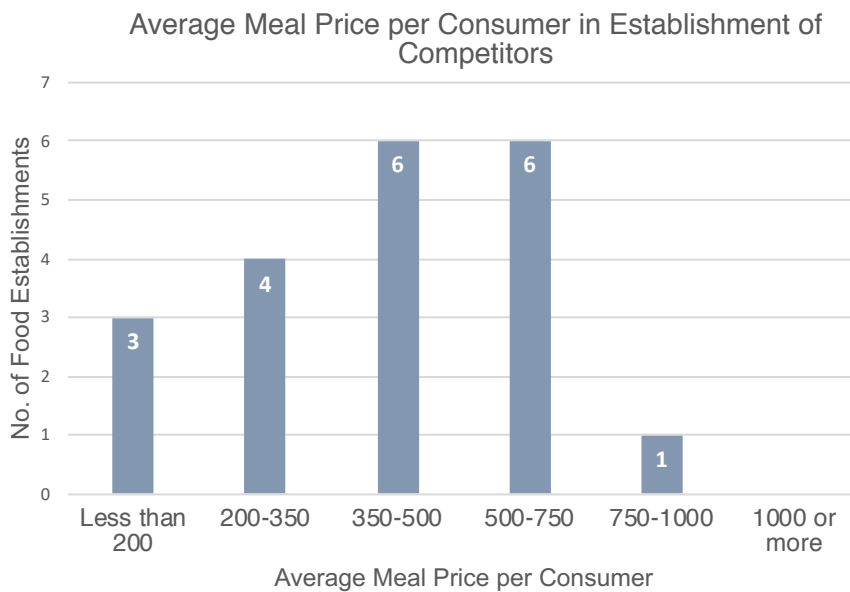
From the listing, it is evident that many Japanese restaurants in the Philippines serve a wide array of Japanese food such as Japanese curry, sushi, tempura, ramen, soba, donburi, yakitori – all served in 1 restaurant. Unlike in Japan, many restaurants simply specialize in 1 food offering. This can be attributed to cultural differences whereby Japanese restaurants deem their specialty dish as a craft that has been honed and passed down through generations. In the Philippines, Japanese cuisine has been hiding from the limelight until only early 2000's. Since then, serving a wider array of menu seemed like the only rational business decision to welcome a wider audience who is generally clueless about what Japanese cuisine was all about.

Further to the above, *Graph 1* shows a graph of the general demographics (Target Market of Existing Competitors) who troop their way to restaurants or food establishments. In a nutshell, the dining-in demographics of Japanese restaurants in Poblacion and Kapitolyo are generally Classes A, B, and C. There are no established restaurants which cater to the Class E. This means the food truck business, should it be located in these locations, must be able to cater to the needs and wants of Classes A, B, and C.



**Graph 1 - Target market of competitors**

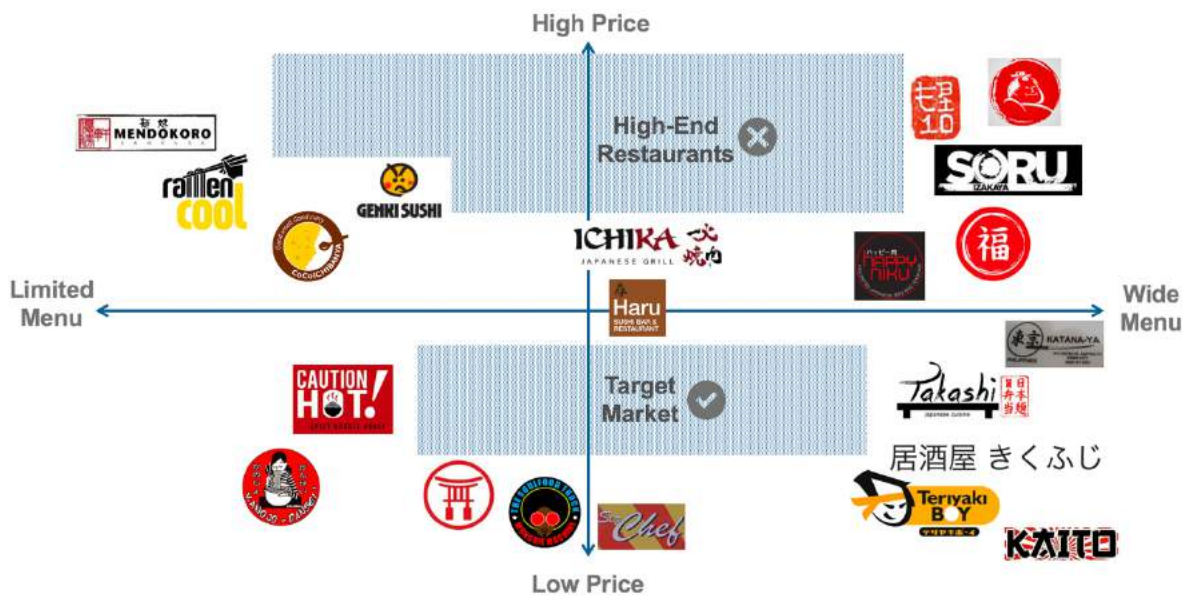
Graph 2, on the other hand, shows the graph of the average meal price per consumer. The average meal comprises of a set meal with drinks. The consumers residing or working in these areas have a purchasing capacity of an average of ₱400-500 on a single meal during evenings. However, it must be noted that many of the restaurants in the listing are full-service restaurants whose pricing may not be comparable to a food truck pricing.



**Graph 2 - Average meal price per consumer in establishments of competitors**

### C. POSITIONING MAP

From the listing of the competitors, a positioning map shown in *Figure 2* was created to illustrate the current market position of the competitors, and to determine whether there are market gaps through which the new food truck can penetrate into. In the graph, the x-axis denotes the variety of the menu offered by the food establishment (wide menu versus limited menu); while the y-axis denotes the price point of the menu (low price versus high price).



**Figure 2 - Competitor positioning map**

As described in the Competitor’s profile and as validated through the Positioning Map, the restaurants serving a wider menu tend to dominate the map almost to the right-hand side of the graph. Only a few restaurants have a specialty menu. It is worth noting that these restaurants (mostly chain restaurants) are direct imports from Japan who are in the business of specifically offering small menu (e.g. CoCoIchibanya and Genki Sushi). It is also apparent that there is a gap for high-end restaurants in the 2 neighborhoods of Poblacion and Kapitolyo. However, for a food truck business, targeting the Class A and B only is not a rational and sustainable business direction. Therefore, the other evident market gap where the price is low and where the food offering is relatively small can be the possible “sweet spot” where the food truck business can focus on.

At the time of research, there is only 1 Japanese food truck in the Philippines, Ebi10. The price is relatively high and with a wide menu.

## **SUBSECTION 2. CONSUMERS**

An online survey was the primary approach into quantitatively gaining access to Filipinos' preferences. There was a total of 252 Filipinos from diverse backgrounds who responded to a survey looking into 3 main categories: preferences over Japanese cuisine, their impression on the food truck culture in the Philippines, and the general personal preferences with regards to the F&B industry (e.g. sensitivity to pricing). The questions asked were all derived from the interview responses conducted with the entrepreneurs to further validate their opinions about their consumers, and also to get hold of data from the consumers themselves.

While the full results of the online survey are shown in Appendix 2, the salient takeaways from the survey are detailed below:

### **a. Top 3 factors that will retain customers: Food quality, Service and Accessibility**

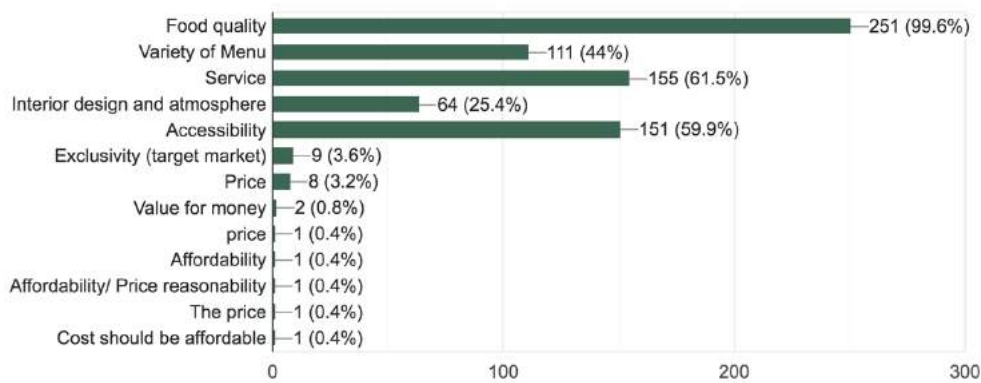
Based on *Graph 3* showing the Top 3 factors that will create repeat customers, "Food quality" was voted by 99.6% of the survey respondents. Seemingly so, food quality is always at the top of the list that both consumers and business owners regard to be the factor that will attract repeat customers. Celline Bautista further mentioned in an interview, "Quality of food must never be compromised – even if the price will need to increase by an amount. Nothing should be half-baked (sic)".

Quality of service and Accessibility are almost at par with each other voted by an average of 60%. Service refers to the quick response and politeness of the servers, but also how the business owners respond to and act on comments, suggestions, and complaints whether made in person or online. Accessibility, on the other hand, mainly refers to the ease of accessing the food

establishment whether via public or private transportation. In an extremely congested city as Manila, people tend to visit only neighborhoods and areas that do not require driving on the road due to the constant threat of traffic jams. Moreover, accessibility could also mean how exposed a food establishment is to foot traffic. Some restaurants may be accessible, but the flow of foot traffic within the vicinity is scarce. Therefore, as business owners, it is important to find a location that is both accessible and has considerable foot traffic.

**18. Please check the Top 3 factors that will make you come back to eat in a particular food establishment**

252 responses



**Graph 3 - Survey result: Factors in creating repeat consumers**

**b. Consumers prefer Filipino street food, hamburgers/ hotdogs, desserts and Mexican food over Japanese food if buying at a food truck**

The Philippines has always been culturally influenced by Western countries, most especially by the US due to historical ties. This influence extends to the food culture where American food such as burgers, hotdogs, processed cheddar cheese and canned foods are prevalent in many households. Based on a survey by YouGov.com in *Graph 4* (Smith, 2019), Filipinos prefer American cuisine (93%) next to Filipino cuisine (97%). Japanese and Italian cuisine are tied at third position (90%). This was further validated through the survey results in *Graph 5* showing that “hamburgers and hotdogs/ American cuisine” (27.8%) were preferred only after Filipino cuisine (33.7%).

### Italian, Chinese and Japanese cuisines are the world's most popular

% of people who have tried that cuisine in each country that say they like it

	Philippines	Singapore	Australia	Taiwan	UK	Hong Kong	Bahrain	France	India	USA	Norway	Sweden	Malaysia	Germany	Denmark	Saudi Arabia	Italy	Indonesia	Thailand	China	Japan				
Italian cuisine	90	89	90	81	87	81	91	87	80	93	88	83	92	74	72	89	86	94	78	99	70	59	59	85	84
Chinese cuisine	88	94	86	87	69	91	86	81	77	80	84	77	74	74	73	78	73	71	54	62	57	80	95	88	78
Japanese cuisine	90	94	74	92	58	93	57	63	57	70	74	61	66	73	81	58	61	57	43	62	72	90	54	94	71
Thai cuisine	76	91	85	76	61	84	75	77	65	70	68	74	78	91	75	68	73	56	31	52	51	98	44	46	70
French cuisine	82	79	70	71	71	73	68	74	70	66	69	74	79	58	72	62	68	70	63	60	46	62	63	66	70
Spanish cuisine	86	68	74	62	67	80	79	58	87	79	81	82	44	45	70	74	68	56	87	36	39	36	64	68	68
American cuisine	93	83	68	76	75	62	70	69	75	56	91	68	63	65	71	53	70	49	66	54	66	73	51	57	68
Mexican cuisine	85	72	77	62	71	54	76	81	70	78	86	84	77	51	46	71	78	72	64	77	38	54	42	51	67
Indian cuisine	55	77	74	60	71	48	84	71	63	71	55	75	67	70	44	62	67	52	76	57	49	27	26	63	62
Turkish cuisine	61	63	71	49	77	45	67	68	56	62	43	62	65	58	47	64	50	53	85	47	65	32	47	39	57
Korean cuisine	87	86	66	74	50	78	43	45	42	45	58	43	48	66	81	45	33	36	29	32	63	78	52	66	66
Greek cuisine	57	49	77	48	55	47	74	77	46	75	69	75	85	31	32	79	69	62	51	71	27	23	32	23	22
Vietnamese cuisine	66	67	75	63	39	77	53	55	42	74	59	56	54	45	66	57	63	38	18	36	34	67	37	44	55
Hong Kong cuisine	80	91	68	78	45	93	60	38	51	44	50	37	29	54	68	39	33	38	22	35	47	66	68	53	54
German cuisine	59	64	63	62	47	65	51	63	49	51	63	62	57	35	51	87	37	43	38	40	37	54	45	40	52
British cuisine	70	76	71	50	63	61	91	49	68	28	49	45	35	65	61	25	27	26	52	32	58	44	43	20	50
Taiwanese cuisine	68	87	59	66	42	88	37	37	42	46	48	31	25	40	62	41	28	36	24	32	40	54	64	66	50
Singaporean cuisine	72	66	75	68	53	73	55	31	62	31	34	34	24	74	64	33	29	27	26	29	55	52	54	33	49
Indonesian cuisine	59	84	71	49	47	46	54	43	48	44	39	43	44	80	39	50	44	34	46	35	67	26	31	32	49
Malaysian cuisine	65	91	76	61	52	67	58	40	56	35	34	35	30	97	44	34	32	24	37	21	66	34	41	25	48
Australian cuisine	74	74	89	49	52	58	52	47	59	35	43	41	34	54	57	36	42	27	32	35	41	48	41	26	48
Moroccan cuisine	50	49	66	44	63	38	66	49	50	81	47	48	51	45	20	42	44	53	67	50	39	25	34	16	48
Lebanese cuisine	40	50	71	35	82	31	58	42	54	67	47	46	67	43	26	35	39	43	84	45	32	22	31	13	46
Caribbean cuisine	63	50	55	46	47	39	66	57	60	54	68	54	48	31	35	50	44	54	33	49	21	29	30	22	40
Brazilian cuisine	59	45	56	43	48	41	49	47	49	58	55	48	40	26	47	49	42	56	39	66	28	29	42	33	40
Swedish cuisine	50	63	47	49	44	48	47	68	48	41	48	62	82	36	40	42	29	30	35	33	27	29	34	18	44
Argentinian cuisine	55	35	53	42	45	36	46	42	43	54	48	54	41	24	35	60	45	77	29	75	25	24	37	15	43
Danish cuisine	51	48	47	39	39	40	42	56	41	35	41	67	62	33	40	30	85	20	29	25	28	29	32	14	41
Emirati cuisine	51	43	43	48	84	28	23	22	63	30	23	24	22	51	49	27	18	27	71	24	53	29	29	14	37
Norwegian cuisine	47	48	39	41	41	42	31	52	38	40	38	81	41	31	36	33	27	27	20	27	23	30	31	17	37
Filipino cuisine	97	41	56	35	48	29	29	37	39	31	45	40	25	33	38	38	30	26	25	25	29	25	21	30	30
Saudi Arabian cuisine	47	42	41	33	67	30	18	21	60	29	24	20	22	66	28	24	22	28	89	25	64	22	31	11	30
Finnish cuisine	47	37	37	33	35	36	23	94	39	33	27	26	36	26	39	26	13	16	26	24	23	26	30	14	32
Peruvian cuisine	47	33	44	33	37	31	27	30	39	39	44	30	27	19	37	28	21	50	23	39	21	16	28	16	32

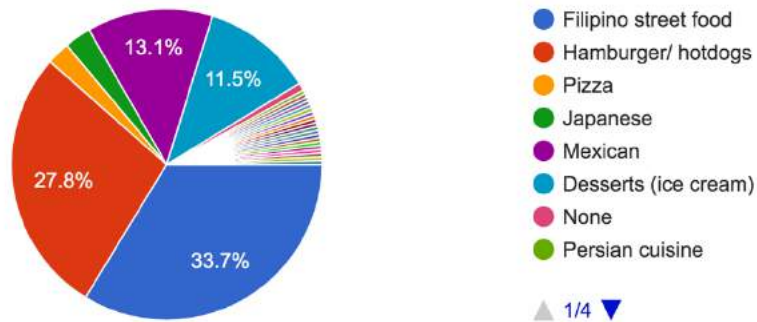
YouGov | yougov.com

May-December 2018

Graph 4 - World's most popular cuisines and preferences

### 14. Which food from a food truck would you usually buy?

252 responses



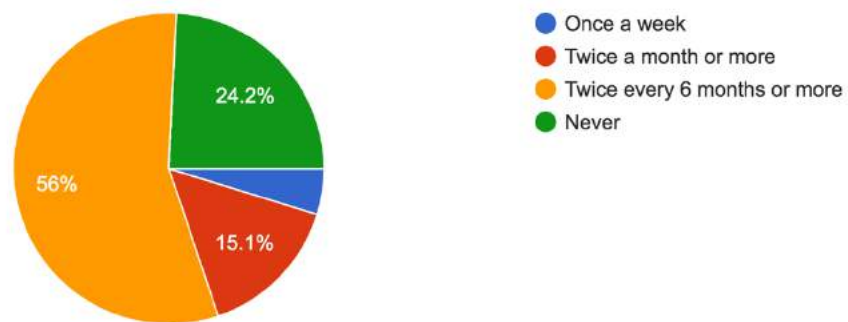
Graph 5 - Survey result: Food truck cuisine preference

- c. **56% of survey respondents consumers buy food at a food truck only twice every 6 months, and 24% said they never buy food at a food truck**

Based on *Graph 6*, buying at a food truck seems to be a rare occasion for the majority of the respondents, while a quarter has never purchased anything at a food truck. Though the market remains big for the F&B industry, the food truck business clearly does not attract consumers on a large scale. Exposure, accessibility and parking constraints by the Authorities could be the possible reasons as to why the numbers could be small.

### 13. How often do you buy food at a food truck in Manila?

252 responses



**Graph 6 - Survey result: Frequency of buying in food trucks**

- d. **44% says it is important to stay true to the authentic Japanese taste, and 12% thinks that it is necessary to adjust to the Filipino palate**

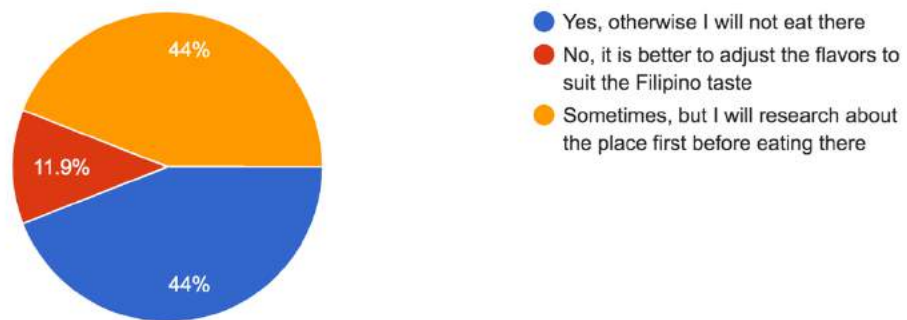
Based on *Graph 7*, majority of the respondents think that it is important that the taste to stay authentic. Should the food seem like it has been adjusted to suit the target audience, the respondents will make an informed decision first rather than taking the plunge. It is worth noting however, that in a separate question in *Graph 8*, 83.3% of the respondents will eat Japanese fusion food. From these 2 results, it could be deduced that Filipinos are generally open-minded with fusion food that are not necessarily authentic in taste and style.



Furthermore, the open-mindedness of Filipinos towards fusion cuisine and adjusted food flavors can be traced to another survey result shown in *Graph 9*. In this graph, it shows that 36% of the respondents think that Japanese food generally tastes authentic, 31.3% says no, and 32.5% is not sure as they do not know how authentic Japanese food tastes like. In summary, only 1/3 of the respondents know and possibly have tried what “authentic Japanese food” is like.

### 11. Is it necessary for a Japanese restaurant in Manila to stay true to the authentic Japanese taste?

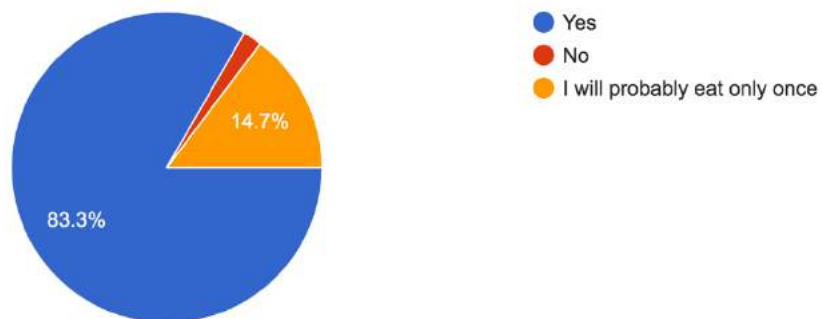
252 responses



**Graph 7 - Survey result: Need for authentic taste in Japanese restaurants in Manila**

### 12. Will you eat in a "Japanese fusion" food establishment?

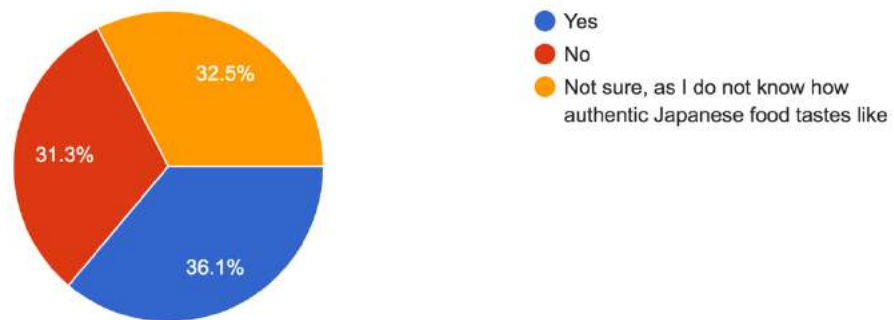
252 responses



**Graph 8 - Survey result: Preference of eating in Japanese fusion restaurants**

## 10. Do you think Japanese food in the Philippines generally taste "authentic"?

252 responses



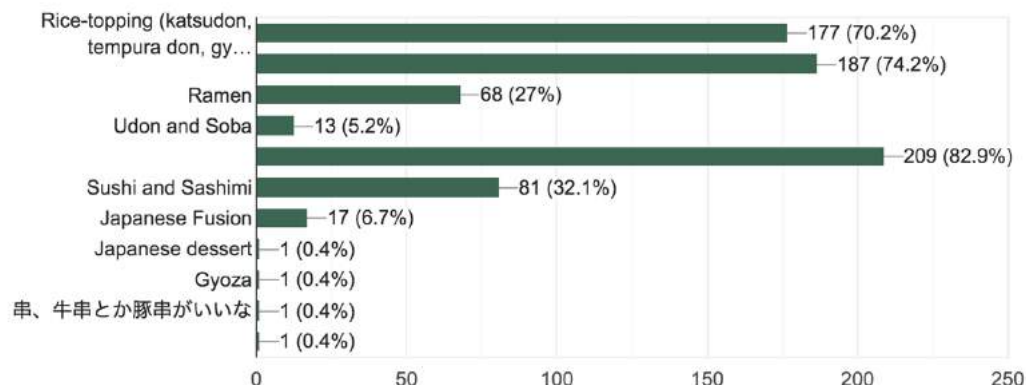
**Graph 9 - Survey result: Taste perception of Japanese food in the Philippines**

- e. **Survey respondents' top 3 Japanese food that suits a food truck are Street food (takoyaki, yakisoba, etc), Yakitori and Donburi**

Based on *Graph 10* Japanese street food, such as takoyaki and yakisoba, was voted as the top food offering that will suit a food truck concept at 82.9%. This was followed by Yakitori at 74.2%, and Donburi at 3<sup>rd</sup> spot at 70.2%. These 3 main choices are predominantly the more famous food offerings in Manila. Takoyaki, for example, has long been an offering in the Filipino street food scene. The exposure of these food in many establishments may have led to the selection of the survey respondents.

## 17. If Japanese food is served at a food truck, which Top 3 food offering do you think will best suit this concept.

252 responses



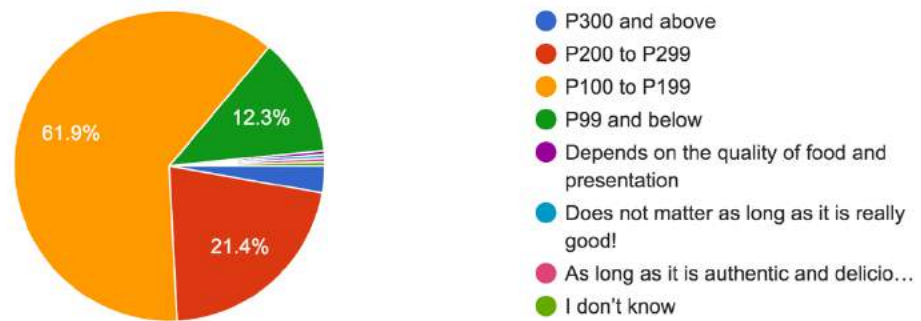
**Graph 10 - Survey result: Top 3 food offering for a Japanese food truck**

f. **A serving of food should cost ₱100-200**

From the *Graph 11*, a majority of 62% of the respondents have a purchasing power of ₱100-200. A 21.4% of the respondents are willing to pay between ₱200-299. However, beyond this price, there are only fewer consumers who are able to afford this range.

**16. How much are you willing to pay for a meal from a food truck?**

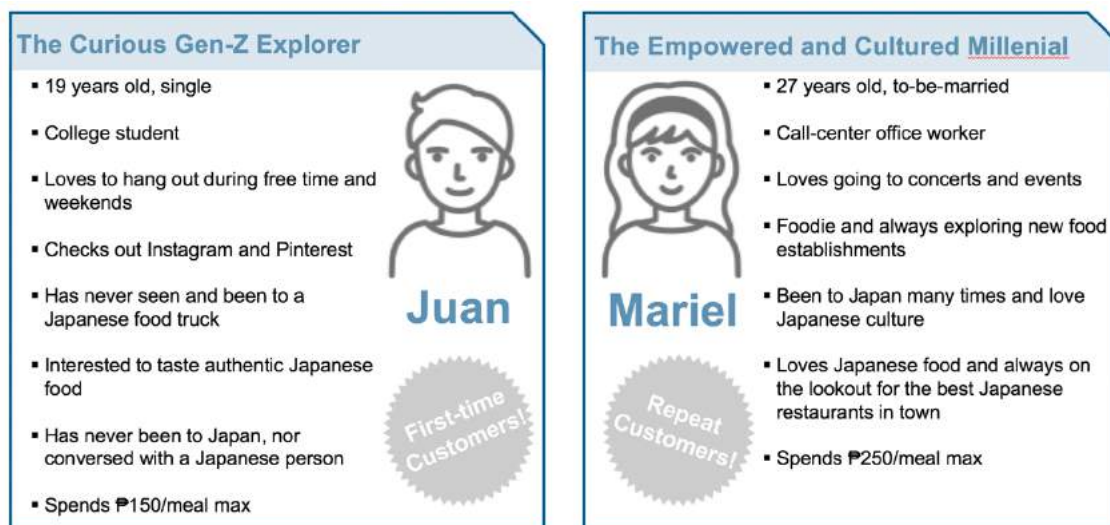
252 responses



**Graph 11 - Survey result: Price willingness of consumers of food trucks**

g. **Target Profile**

Taking into consideration the business owner's profile of their customers, hand-in-hand with the survey responses from the consumers, there are 2 main categories of target market: The Curious Gen-Z Explorer, and the Empowered and Cultured Millennial. A quick guide to these 2 Personas is shown in *Figure 3*.



**Figure 3 - Target profile of the food truck business**

### **SUBSECTION 3. CULTURAL PECULIARITIES**

Doing business in countries that are rife with corruption, bureaucracy, pressure from organizations can be frustrating, even dangerous. But businesses that survive the experience, and learn from it, can develop an unusual competitive advantage that will serve them well in years to come. In the Philippines, several flawed and inconsistent regulations, and cultural peculiarities are embedded into the business world that entrepreneurs could no longer question and operate against the system, but rather pressured to simply operate alongside the system. Starting up a business in Manila may seem bleak and intimidating to a starting entrepreneur, but it is never insurmountable. New entrants can cope with corruption and peculiar regulations by understanding the political situation and operating accordingly. Learning how to deal effectively with one market will make it easier to deal with others.

Below are the key takeaways gathered from the interviews and field work in the chosen neighborhoods.

#### **a. Being part of the Food Truck Association plays a huge part in the success of the food truck**

Lyle de Leon, the current President of the Philippine Mobile Food Truck Association, shared in an interview that due to the growing scene of food truck industry in the Philippines, a food truck association (non-profit organization) was established 6 years ago with the primary goal to support young entrepreneurs who have little start-up costs on hand who are faced with several barriers to entry. Furthermore, the association aims to strengthen the industry through an organized representation of one big united entity. As this association helps individual entrepreneurs only, the association does not accept membership from large-scale domestic or global companies. For newcomers, the assistance from the more seasoned food truckers is a welcome gesture which makes breaking into the industry a little easier. Lyle de Leon shared that many new food truckers have become successful due to the mentorship and the culture of openly sharing information within the association. More details about the association can be found in the interview summary in *Appendix 1*.

**b. Registration of Food Truck business is generally in a “gray zone”. Local governments (barangays) can’t easily give permits to park at a particular spot**

The Philippine Department of Trade and Industry does not recognize food trucks under a specific industry categorization - which consequently makes business registrations within the cities in Metro Manila under a “gray zone” and on different set of rules. In most cities, a food truck requires a parking space for which the same space is the business address the food truck will be registered under. However, this is not the case for all cities. Hence, it is important to firstly consult with city governments before registering the business according to de Leon. Food trucks cannot freely be driven and parked at any space – a clearance from the local city is necessary.

**c. As food truck culture is still a young food culture in the Philippines, most of the profits are generated from events**

De Leon shared that due to the limited areas that food trucks can park at, and the limited menu which it can offer, there is a need for more venues to allow scaling up and therefore increase profitability. Hence, the Association is usually on the lookout for events to participate on such as weekend markets, private catering, or weekday invitations from companies. Since the number of guests usually in these events are denser (number of customers within a time frame), the food trucks generate fairly good profits.

**d. As your business grows, the more the government wants to take a share from you - or worse, they will kill you**

According to Supsup and Lee, one of the biggest barriers to entry in the F&B industry in Manila is the corruption within the city governments. They mentioned that the government does not generally support SMEs, rather it supports big corporations who they can benefit from in terms of political support (funding, lobbying). This means that as the business grows and become profitable, the more the government will want to take a share from the business, or worst will kill

the business. Otherwise, if the business is simply a small player, the local government will not even take notice.

e. **Celebrity endorsements are essential to tap into the interest of the average masses**

According to Supsup and Lee, the propensity of the Filipino masses to believe in celebrity endorsements is very high that capitalizing on these mode of marketing activities (as a new market player) will most likely succeed. Based on an interview with XSITE Solutions Inc. CEO Jojo Ajero with the BusinessMirror, Ajero said that “...*once you use celebrity endorsers for your advertisements, the client can cut through the clutter far better than not using a celebrity at all. He said using celebrity endorsers will give the client three things, namely, transferred trust, strengthening the brand positioning and more exposure*” (Reyes, 2017).

### **SECTION 3. PAIN POINTS**

This section presents the summary of different dilemmas and pain points of existing businesses as described by the respective entrepreneurs and the actions that some of them have done as a response. Furthermore, the pain points were deduced based from the forecast generated by the consumer market research and business/ political trends that have been observed in the Philippines.

This section ultimately becomes a list of Lessons Learned from the major dilemmas that entrepreneurs face in the industry. These lessons are critical in the conceptualization and creation of the business model, and the consequent business and marketing strategies.

With reference to the **Competitors**, companies face the following pain points below:

a. **Should taste be adjusted to Filipino palate? Hire a Japanese chef?**

When you have restaurants named after, and manned by a Japanese chef, then the restaurants require taste not to be adjusted. However, for chains, the taste needs to do be adjusted to the Filipino palate.

***b. What is a quick-fix for food truck businesses when the sales decrease?***

Food trucks should be easily evolved to suit the season or events. This means that the design should be changeable – e.g. the stickers, design and the food offering – which can easily refresh the business look to increase its appeal. Also, food trucks have experimental menu - fusion cuisines. Usually, the food truck should be known for particular simple food offering. Then, seasonal/limited time-offer food must be introduced to “spice up” the menu. The concept must continually evolve.

***c. Which venues are the most exposed and accessible to consumers to gain competitive advantage?***

Lunch offerings should be served in business districts and school areas. Avoid neighborhoods. Furthermore, beyond the physical location, it is essential that there is a wide exposure to the target market through marketing.

With reference to the **Consumers**, companies face the pain points as below:

**a. How do you increase consumers’ desire to choose Japanese food?**

Increasing consumer consumption is to increase first-timers. This can be achieved by being price aggressive. Furthermore, the look-and-feel of the food establishment to look casual and inviting will also help first-timers to try out.

**b. How do you increase the consumers’ desire to buy at a food truck?**

As 56% of survey respondents consumers buy food at a food truck only twice every 6 months, and 24% said they never buy food at a food truck, it can be deduced that there is little accessibility of food trucks to consumers. So, either good marketing and scaling up the food trucks are the ways to increase consumption.

With reference to **Cultural Peculiarities**, companies face the pain points as below:

**a. Should the new food truck join the Food Truck Association of the Philippines?**

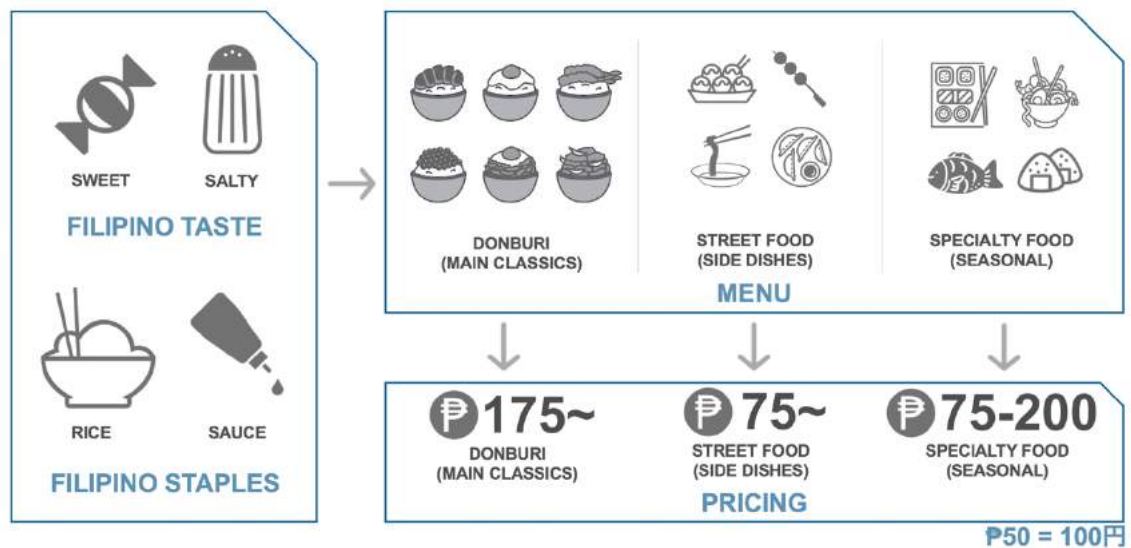
Being part of the association plays a huge part in the success of the food truck simply because you immediately receive start-up assistance from veteran entrepreneurs. Furthermore, the organization has created a community of helping each other and sharing information to increase each other’s exposure and profitability.

**b. How to efficiently obtain a business permit given parking issues & ambiguous laws?**

Registration of Food Truck business has remained in a gray zone (no categorization), whereby local governments/ barangays have different regulations as to when and how an entrepreneur of a food truck can be given license to operate. It is then an imperative to check with local governments of the potential location before starting the business.

**SECTION 4. PRODUCT OFFERING**

The market research survey results and the interviews with the entrepreneurs are the primary sources in the creation of the menu and pricing strategy as shown in below *Figure 4*.



**Figure 4 - Summary of product offering and pricing**



## **SUBSECTION 1. FILIPINO TASTE**

Filipinos have a heightened preference for sweet food. Sweetness is not only prevalent in desserts and drinks, but rather exists in savory food such as *adobo*, *tocino*, white bread and the local version of spaghetti. According to an article in the Philippine Inquirer, *“The Philippines was very much part of sugar’s history, being in the region where sugarcane originated, and where sugar haciendas figured greatly in its colonial economy. This heritage of sugar production hints at why Filipinos use sugar in everything: As historian John Larkin wrote, sugar manufacturers expanded the domestic market “by exciting the Filipino taste for their product” through ad campaigns and free packets of sugar. Sugar’s place as a status symbol, its sheer addictive quality, relatively cheap prices, and our being accustomed to high levels of it in our foods can thus explain why Filipinos have a sweet tooth.”* (Lasco, 2017).

Salty food is another Filipino favorite. When comparing with Japanese cuisine, the amount of salt in the food in the Philippines is, by observation, twice or even thrice. Salt is abundant in a country surrounded with oceans and seas, and Filipinos use salt to preserve food throughout history and the recipes and taste have been passed down through generations. Condiments such as *bagoong* (preserved shrimp paste), salted egg, *daing* are some of the highly rich salt-content food that Filipinos eat frequently. This has led to many savory foods to equal the same salt content of the condiments.

## **SUBSECTION 2. FILIPINO STAPLES**

Rice is a staple Filipino food. A typical Filipino eats meal with rice for breakfast, lunch and dinner. Based on World Atlas, the Philippines is the 3rd world’s biggest rice importer, after China and Nigeria (The 10 Largest Rice Importers in the World, n.d.). Filipinos’ massive demand for rice can even trigger restaurants originating from other countries to tweak their food offering to accommodate rice as part of the main menu. Big and small restaurants and dining establishments in the Philippines will always offer rice and rice meals to their customers, no matter where they are in the country.

Sauce - or *sawsawan* in local language - is a necessity in Filipino cuisine. An article from CNN Philippines have made a case for Filipinos' love for *sawsawan* where Orandain wrote “...*the fundamentals of Philippine cooking are simple: We cook with our audience in mind. There is no ego in the way we cook; that’s why we don’t take offense when people add fish sauce to their soup because they find it bland. It’s them adjusting it to their tastes. We don’t aim for perfection, because we all know that perfection is really just preference...That is why the sawsawan exists. It’s for us to paint our own experience — it is for us to make the meal our own*”, (Orandain, 2016). The sauce exists not necessarily to dip pieces of food in, but it is also a way to heighten the taste through adding flavor and texture to the dish.

### **SUBSECTION 3. MENU**

As a start-up F&B entrepreneurial venture, it is imperative to keep the SKU (stock keeping unit) to be relatively low. This is to ensure that food preparation processes can be kept simple and fast, and more importantly the ingredients to be low-cost. For this reason, the food truck’s main offerings will be donburi – a Japanese bowl of cooked rice with other food (e.g. pork cutlet, tempura, seafood, eel, etc.) served on top of the rice. Donburi essentially responds to the Filipinos’ love and demand for rice and sauces.

Besides the main classics, side dishes will also be offered with Japanese street food offering such as takoyaki, yakisoba, gyoza, yakitori, etc. These are simple side dishes that can be eaten together with the main classics, or eaten as they are during *merienda* (local language for afternoon snacks usually from 14:00-16:00). To further increase customers’ desire for new dishes, limited time-offer/seasonal food can be served such as sushi, onigiri, taiyaki, Japanese sweets. The idea is to create dishes that can be priced at a higher point to justify the seasonality. Seasonal menu could include food that are more complicated to prepare/ process – but worthy enough to pull in new customers and retain loyal ones.

The selection of the menu is in keeping with the market research results whereby Japanese street food such as takoyaki and yakisoba was voted as the top food offering that will suit a food truck concept at 82.9%. This was followed by Yakitori at 74.2%, and donburi at 3<sup>rd</sup> spot at 70.2%. The first 2 top results are deemed as side dishes, however, the 3<sup>rd</sup> top choice donburi is a heavier dish that can be sold as the main offering.

#### **SUBSECTION 4. PRICE**

Based on *Graph 11* which shows the survey result of consumers' willingness to pay for food at a food truck, majority of the respondents are willing to pay at a maximum of ₱199 (400 円) – a similar price point of fast-food set meals in the Philippines. It can be deduced therefore that food trucks are generally seen in a similar category of fast-food. To attract more willing consumers, it is imperative to be price competitive – going even below the market while ensuring that margins are still reasonable and profitable. For this reason, main classics will be priced at ₱175; side dishes will be priced at ₱75; while seasonal offerings will be in the region of ₱75 to ₱200.

#### **SECTION 5. KEY ACTIONS FOR SUCCESS**

Employing the lessons learned as shared by the interviewees, the market research results, the Author has gathered the salient takeaways and pain points as further discussed in Part 2.2 Market Analysis and Part 2.3 Pain Points. In this section, the key takeaways are to be juxtaposed against the 4 main arms of business management (Organization, Administrative & Operations, Marketing, and Financial) with the corresponding guideline/ key action to be done to ensure competitiveness and sustainability of the start-up venture.

*Tables 2, 3, and 4* show the guidelines/ key actions to take, as categorized by Competitor, Consumer and Cultural Peculiarity. It shall be noted that all the guidelines/ key actions shall be noted

and considered in the creation of the Business Plan. The key actions highlighted in red are urgent actions to be prioritized in the creation and execution of the business plan.

COMPETITOR	Organization	Administrative & Operations	Marketing	Budgeting & Finance
1 Menu is very limited. Small menu but "everything moves" is preferred than "bigger menu but the movement is slow".		Aim to lower SKU. Select menu offering that allows for the same cooking process with minimal variations		
2 Able to handle manpower issues (when you hire staff, you also hire their families and their worries and problems)	Ensure proper training of staff, hire experienced ones	Simplify administrative and operation systems for ease of compliance		
3 <b>When you have restaurants named after, and manned by a Japanese chef, then the restaurants require taste not to be adjusted. However, for chains, the taste need to do be adjusted to the Filipino palate.</b>	<b>Hire a Japanese chef/ staff.</b> Either a chef from Japan/ Manila, or a working student in Manila who knows how to cook		Capitalize on the Japanese staff, and imitate the Japanese experience and omotenashi as pure as possible	
4 Commissary is only used to ensure consistency of the sauces. However, for the food prep, everything is done in the kitchens		Commissary may not be required at the 1st year		
5 <b>Food trucks can be easily evolved especially to suit the season or events. Simply change the stickers, design and the food offering, and you can already create a brighter and newer business</b>	Establish a creative team capable of devising and executing minute changes in the concept/ fit out as and when the profits start to decrease		<b>Evolve the food truck fit-out/ food preparation and plating</b> every now and then, especially during particular events (customization)	Aim to change fitting out only after a year so as not to disrupt cashflow within the 1st year.
6 <b>Food trucks have experimental menu - fusion cuisines. Usually, the food truck is known for particular food offering, make it simple. Then, you have seasonal/ limited time-offer food Concept must evolve</b>			<b>Evolve the food offering</b> (side dishes at the minimum) through <b>limited time-offers or seasonal offerings, or depending on event requirements</b>	

Table 2a - Competitor: Key Actions for Success Part 1

COMPETITOR	Organization	Administrative & Operations	Marketing	Budgeting & Finance
7 It is a must to tweak the flavor to the Filipino palate - sweet and salty	Ensure that the chef knows how to adjust food to the Filipino palate - at any given time. Special requests are to be taken.			
8 Casual dining establishments (fastfood and foodcourts) are the main competitors	Check if staff have experiences working in casual dining restaurants, so to ensure that staff are well-suited to very quick food turnovers	When learning curve plateaus and efficiency has been stabilized, search for further ways to reduce operating costs within the supply chain		
9 Few Japanese food truck due to rare and expensive ingredients. Some Japanese require food to be very fresh		Source for the right suppliers and plan out the schedule for inventory stocking		Provide some buffer for inflation in sensitivity analysis
10 <b>Social media (Facebook, Instagram) are the main sources by which customers get to know about a food establishment. Followed by word-of-mouth, then online review apps (Zomato, Google Maps)</b>	The owner shall lead the marketing activities at the 1st year. At consequent years, a 3rd party marketer or social media handler can be employed, depending on budget.		Ensure marketing campaign through Sponsored ads in <b>social media, and paid PR campaign with bloggers and social media influencers</b>	Factor some budget for launch, and successive campaigns (For bloggers and social media influencers = around Php3000/person, and Press conference, inviting newspapers and media = around Php150K without food
11 <b>Food trucks can be mostly seen in parks/ recreational areas, followed by office/ business districts, and then at concert/ event venues</b>			Besides the Park-and-Dock locations, continue to actively seek for locations for <b>weekend events and catering services</b>	

Table 2b - Competitor: Key Actions for Success Part 2

CONSUMER	Organization	Administrative & Operations	Marketing	Budgeting & Finance
1 Top 3 factors that will retain customers: Food quality, Service and Accessibility	Employ rigid screening of staff to ensure cultural fit	Source good quality ingredients. Determine and plan the route of food truck	Plan sustainable marketing activities and PR campaigns	
2 Consumers prefer Filipino street food, hamburgers/hotdogs, desserts and Mexican food over Japanese food if buying at a food truck		Simplify the value chain and food prep system to decrease overheads.	As Japanese is <b>not a popular food truck food</b> , produce strong PR and Marketing campaign pre-launch. Possibly start at soft-opening.	
3 56% of survey respondents consumers buy food at a food truck only twice every 6 months, and 24% said they never buy food at a food truck		Ensure that food truck is <b>accessible</b> to the market who is able to create buzz and word-of-mouth	Ensure that food truck is <b>accessible</b> to the market who is able to create buzz and word-of-mouth	
4 44% says it is important to stay true to the authentic Japanese taste, and 12% thinks that it is necessary to adjust to the Filipino palate. However, 83.3% will eat Japanese fusion food	Examine during soft-opening whether food is preferred to be fused with Filipino taste or to stay to the authentic Japanese taste	Examine during soft-opening whether food is preferred to be fused with Filipino taste or to stay to the authentic Japanese taste		
5 36% of the survey respondents think that Japanese food generally taste authentic, 31.3% says no, and 32.5% is not sure as they do not know how authentic Japanese food tastes like	Examine during soft-opening whether food is preferred to be fused with Filipino taste or to stay to the authentic Japanese taste	Examine during soft-opening whether food is preferred to be fused with Filipino taste or to stay to the authentic Japanese taste		
6 Survey respondents top 3 Japanese food that suits a food truck are Street food (takoyaki, yakisoba, etc), Yakitori and Donburi.		Create a small menu with few staples and evolving sides (seasonal or limited-time offer) to excite consumers		
7 A serving of food should cost Php100-200			Create main dishes that are priced within Php 100-200. Then sides are to be cheaper, and seasonal offerings to be slightly expensive.	To note in relation to financial planning
8 Filipinos prefer very flavorful dishes - more salty, more sweet. Filipino love sauce! The taste should be heightened.	Ensure that chef (either Japanese or Filipino) is aware of the Filipino preferences in food			

Table 3 - Consumer: Key Actions for Success

	CULTURAL PECULIARITIES	Organization	Administrative & Operations	Marketing	Budgeting & Finance
1	Being part of the association plays a huge part in the success of the food truck, simply because you immediately receive start-up assistance from the veteran entrepreneurs who are members already	Owner needs to be well-connected to the industry. Ensure that prior to launch, owner has already created a network of supporters.	Further studies should be made to decide <b>whether to join the association or not</b>		
2	Registration of Food Truck business - since there is a gray area (no categorization), local governments/ barangays can't easily give you a permit to park at a particular spot.		<b>Find a permanent parking space that can be fitted to become a garage/ driveway restaurant</b> in the evenings. The same address will be used to register the food truck.	Two locations (channels) must be chosen: firstly, a location where the food truck is parked during the daytimes, and a place where the food truck becomes the kitchen of the permanent kitchen in the evenings.	
3	Food truck culture is still a young culture in the Philippines. Most of the food trucks generate profit mostly from events			Strengthen online presence and proactively seek Events Planning Companies to introduce the food truck	Factor some budget for business development in relation to seeking companies to partner up with, preferably after 1st year
4	If you are not successful, they will not mind you. The bigger you become, the more the government wants to take a share from you or they will kill you.	Owner must be aware how to circumvent certain pressure from the government.			Factor some budget in case local government comes running after some unexplainable dues
5	Celebrity endorsements are essential to tap into the interest of the average masses.			For a start, social media influencers, TV appearances and features should be the marketing objective.	Factor some budget for launch, and successive campaigns (For bloggers and social media influencers = around Php3000/person, and Press conference, inviting newspapers and media = around Php150K without food)

Table 4 - Cultural Peculiarities: Key Actions for Success



## **CHAPTER 3. BUSINESS PLAN**

### **SECTION 1. EXECUTIVE SUMMARY**

Girigiri, a Japanese yatai-themed food truck will be a moderately priced take-away food truck with a casual 20-seater dine-in pop-up restaurant in Manila. This hybrid of a food truck and a restaurant will employ a **“Park-and-Dock”** food truck concept. During daytimes, the truck will be parked in Capitol Commons (hence, “Park”) serving lunch and *merienda* to office workers and the neighborhood. In the evenings, the same food truck will then dock (hence, “Dock”) in a simple 25-meter square pop-up restaurant at a different location in Poblacion, Makati serving as its main kitchen. The restaurant will dock in an unused parking driveway of a residence within the neighborhood and will be privately leased. The furniture and fixture will be pared down to the basics in order not to disturb the residents and allow for flexibility in case the concept of the food truck changes.

Donburi as main dishes; takoyaki, yakisoba, gyoza, yakitori as side dishes; and seasonal menu such as taiyaki, sushi, onigiri are all on the menu.

Girigiri will be managed as a sole proprietorship, wholly owned and operated by Jed Yabut. Girigiri will be registered in both Pasig City and Makati City.

Sales projections assume 1,070 customers per week resulting in weekly sales of ₱198,675, or ₱740,700 monthly, or ₱8,888,400 annually at 100% sensitivity factor. This equates to around ₱250,000 per square meter in sales annually. Total start-up costs will be ₱1,251,000 which will be secured 100% from the Owner’s personal savings.



Figure 5 - Logo of Girigiri

## SUBSECTION 1. BUSINESS OBJECTIVES

The primary objectives of the business plan for the Japanese Park-and-Dock yatai are below:

- To showcase the entrepreneur's admiration to and passion for *Washoku* (Japanese cuisine) and the culinary arts, and to explore the possibility of “*glocalization*” (Farrer et al., 2017, p. 257) of *Washoku* in Manila
- To provide an authentic cultural experience of Japan - albeit small-scale - to Filipinos via food and *omotenashi* (hospitality)
- To provide an entrepreneurial springboard from a small-scale food truck to a bigger scale platform-based food business in Manila
- To be the foremost franchisable “Park-and-Dock” Japanese food truck in the Philippines

## SUBSECTION 2. MISSION STATEMENT

Girigiri's mission is to provide a unique and casual Japanese dining experience served with the genuine Japanese *omotenashi*. This will be achieved through a revolving menu of quality Japanese food at reasonable prices, served by Japanese staff and/or Filipino staff highly trained in the culture of Japanese *omotenashi*, efficiency, speed and quality service. Mindfulness of the well-being of customers and staff is equally important.

### **SUBSECTION 3. GUIDING PRINCIPLES**

- a. **Quality Food** - Uncompromised quality of Japanese food will be provided - fresh, hygienic, and made from authentic Japanese ingredients (depending on domestic availability).
  
- b. **Ambience and Cleanliness** - Girigiri will offer a genuine Japanese ambience and cleanliness in all food establishments to recreate a setting for those who desire to be in Japan, and for those who wants to reminisce their memories of Japan.
  
- c. **Omotenashi and Kansha** - *Omotenashi* will be demonstrated throughout the buying experience, with warmth and friendly service despite an informal and casual setting. Girigiri will always carry an attitude of *kansha* (gratitude) to customers, staff and suppliers as they are the key players who will help sustain the business.

### **SUBSECTION 4. KEYS TO SUCCESS**

- a. **Professional Network** - Creating a network of professionals within the F&B industry who are willing to assist in building up the brand is important. This will be achieved through joining the Philippine Mobile Food Truck Association.
  
- b. **Location** - Being exposed to a busy food traffic helps in pulling in first-timers and repeat customers. By widening the exposure through multiple locations, the food truck becomes a marketing tool in itself. Furthermore, being close to the target market will greatly affect the sales because it shows that the business values accessibility which doesn't require the customers to travel far.
  
- c. **Staff** - Hiring top notch chefs is one thing, but having well-trained staff to ensure consistent satisfactory service is another. Hiring Japanese staff creates a novel and genuine Japanese

experience. Staff will be given appropriate remuneration and benefits to ensure that they are retained for as long as possible.

- d. **Marketing** - Word-of-mouth, online presence, and celebrity/ social media influencers are the main marketing tools to capture an extensive reach of consumers. Once they have been targeted by marketing, every customer who comes in once should want to return, and recommend the food truck.
- e. **Food Menu** - There shall be 3 categories of the food menu: the classics, the sides, and the seasonal offerings. The menu shall be limited, and the assembly line for food preparation must be efficient and simple.

## **SECTION 2. PRODUCTS, SERVICES, AND OPERATIONS**

### **SUBSECTION 1. FOOD MENU**

Three main food offerings will be served:

- **Main Classics** - The first food truck will specialize on donburi as this dish fundamentally contains the 4 main elements of Filipino taste and staples: something sweet, something salty, has rice and has sauce. Four to five main dishes will be served, such as katsudon, tendon, tare katsudon, karagedon, Gyudon. Not only do they have the elements of Filipino preferred dishes, sourcing of ingredients will be easy as the food are generally common in the local market. Preparation is also relatively simple which aims to reduce waiting time. The price of the main dishes will be pegged at a minimum of ₱175. Pricing will be based on demand and operating costs.
- **Side Dishes** - Japanese street food is reasonably popular in the Philippines, with many people associating Japanese dishes mostly to street food such as takoyaki, gyoza, yakitori, light soba or

ramen. Hence, it is important to carry 3-4 different side dishes as part of the menu despite only being offered as side dishes. There are 2 reasons for this: firstly, when consumers would want to order more food beyond the main dishes, they can easily opt for the side dishes. Secondly, during *merienda*, the side dishes will suffice as in-between-meal snacks. As a result, the unit sales of the side dishes could potentially be higher than the main dishes. The price of the side dishes will be pegged at a minimum of ₱75. Pricing will be based on demand and operating costs.

- **Specialty/ Seasonal Food** – Customer retention and increase of desirability are the main objectives in offering seasonal food. There will be 1 seasonal food at any given season to be offered. This may include small snacks such as onigiri, deep-fried chicken fillets (e.g. Famichiki), sushi, and other desserts such as taiyaki, soft ice cream. Seasonal food can potentially be expensive to prepare as ingredients and cooking equipment may require to be bought from Japan (unless there are specialty stores which can rent and provide the equipment). Therefore, pricing will range between ₱75 to ₱200 – depending on the seasonal pricing of ingredients, accessibility, demand and operating costs.

Consumer behavior, feedbacks and changing demands will be continually examined and observed in order to improve the menu. The seasonal food offering is a channel by which new dishes are subjected to a “viability test” to determine its potential to become a main-stay product. For example, obento is a popular product for salaryman and busy workers on-the-go in Japan; however, in Manila it is not. Once the obento will be given a viability test as part of the seasonal menu, the Owners will eventually conclude its inclusion in the menu or not - based on consumers’ feedbacks and overall sales.

- **Beverages** – Girigiri will be first and foremost, a food truck. Serving beverage and desserts are not the essential and crucial products; however, they act as complementary products. Therefore, beverages sold will simply be bottled water and 1 home-made drink – possibly green tea or

houjicha. As for the “Dock” areas, since there is a physical restaurant, albeit small, the possibility of having a storage area for drinks is available. This will allow the possibility to provide more beverage options, such as canned beers and other Japanese canned osake. Accurate pricing is yet to be established.

## **SUBSECTION 2. PARK-AND-DOCK MODEL**

The Park-and-Dock business model was developed by the Owner, Jed Yabut, in order to maximize the small assets of a food truck business by providing different parking spots during daytimes and evenings.

The Park-and-Dock food truck is a hybrid of a stand-alone food truck and a pop-up restaurant. During daytimes, the truck will be parked in public spaces; hence the term “Park”. In the case of the first food truck, it will be parked in Capitol Commons, an office-residential neighborhood serving lunch and afternoon snacks to office workers and neighbors. It will be parked in the public space – rental of which is payable to either the local government (in the case of a public land), or to the private entity (in the case of a private land)- from 11:00-16:00, 5 hours from Monday to Friday.

In the evenings, the food truck will “Dock” in a privately-owned unused driveway parking lot of a single-detached house in the party-neighborhood of Poblacion, Makati. In this minimum 25-meter square lot, portable tables and chairs and minimal furniture and furnishings will be put up to create a flexible pop-up restaurant. The food truck will be utilized as the kitchen of the pop-up restaurant from 18:00-24:00, 6 hours from Monday to Saturday. When the restaurant is closed, the food truck remains to be docked in the same location, and preparation before the next-day’s job will happen here. Menu offering for both Park and Dock locations will be the same. However, more beverage options will be served in the Dock areas. The overview of the daily schedule is shown below in *Table 5*.

Operation Schedule		
Day	Park	Dock
Monday	11:00 – 16:00	18:00 – 24:00
Tuesday	11:00 – 16:00	18:00 – 24:00
Wednesday	11:00 – 16:00	18:00 – 24:00
Thursday	11:00 – 16:00	18:00 – 24:00
Friday	11:00 – 16:00	18:00 – 24:00
Saturday	Events	18:00 – 24:00
Sunday	Events	Closed

**Table 5 - Operation schedule**

There are 3 reasons as to why the Park-and-Dock model was chosen for this start-up venture:

- **Maximize assets** - In many cities worldwide, food trucks are generally open during daytimes only. To maximize the assets to increase sales, the food truck will also be in operation during evenings.
- **Maximize exposure** - The more people will see the food truck as it plies through busy roads from one location to another, or when it is parked in a public space, or when it is docked in the busy neighborhood during evenings, the exposure of the food truck to more first-time consumers will increase. Therefore, sales is also assumed to increase.
- **Maximize unused spaces** - In many single-detached houses in Manila, there are driveway parking spaces which are unused. Employing the same business model of Uber and Airbnb where unused assets of willing owners can be temporarily leased to demanding users, the unused driveway parking spaces of a residence will be leased by the Owner to be used as a “Dock” area.

The beauty of the Park-and-Dock model will only reveal itself when the scale increases. This is when the number of food trucks increase along with the number of the “Dock” spaces. When the numbers grow in the future, the food trucks can change its docking location on a daily basis following a schedule derived from an algorithm which analyzes maximum profitability of food trucks based on foot traffic and demand. Further explanation will be discussed under *Figure 6 - Horizons of Growth*.

### **SUBSECTION 3. DAILY OPERATIONS**

Girigiri will be open 6 days a week for lunch, *merienda* and dinner requiring multiple shifts: 1 batch for morning shift, and 1 batch for evening shift. The Owner will initially write the schedules. As the operations become stable after some few weeks/ months, the revised staffing schedules should allow for flexibility depending on sales volume to ensure consistent labor cost control.

Food preparation and replenishment will begin from 8:30 until 10:30 before the food truck begins to travel to the “Park” location. Proper labeling, sufficient storage, and rotation techniques must be ensured to deliver high quality food offering even at peak business hours. The Owner and the main Chef will be responsible for ordering, receiving and maintaining sufficient inventory to meet production demands. Ordering schedules will be staggered with perishable products being ordered multiple times per week to preserve freshness. Standard grocery and supply orders will be ordered less often, according to a predetermined schedule and storage capacity. The Assistant to the Chef will rely on operational checklists to verify that each work shift has been properly prepared for and to ensure the operational standards are followed before, during and after work shifts.

Upon opening of the food truck, the orders of the customers will be taken by the Manager (usually the Owner) using the POS/ ordering machine. The machine will print tickets to keep track of orders while the Chef and Assistant prepares the bulk of the food. Once finished, the Manager will plate the orders, and make sure the orders are correct. This will be the flow of the operations during the first few weeks/ months until the learning curve starts to stabilize.

At 16:00, all staff will clean up and prepare for the commute back to the “Dock” location. Once docked in the location, the staff shift will change, and the new batch of staff will continue with clean up, restocking and preparation of the pop-up restaurant. Upon opening at 18:00, the same process for ordering and food preparation shall be employed until the pop-up restaurant closes. The closing



shift will involve designated closing duties that will leave the food truck and restaurant clean and fully prepared for the next day.

Staff task assignment is described in *Section 5. Organization and Management*.

#### **SUBSECTION 4. MANAGEMENT CONTROLS**

Girigiri will practice appropriate management measures and procedures to control operating costs while ensuring high-quality food and service. The following systems will be used by management:

- **Order Guide** - The restaurant will employ an item-specific order guide to track order history, sales, and maintain appropriate inventory as influenced by daily sales.
- **Weekly Inventory** - Owner will conduct weekly inventory to track and prepare weekly profit and loss reports.
- **Daily Inventory Tracking** - Daily inventory will be taken on specific items. Movement will be compared to sales data to ensure designated products have been properly accounted for.

#### **SUBSECTION 5. ADMINISTRATIVE SYSTEMS**

- **Daily Cash Control and Petty Cash** - All sales and receipts recorded by the POS will be compared against actual cash and credit card deposits on a daily basis. Any discrepancies greater than the acceptable over/short amounts of ₱200.00 per day will trigger the Owner to conduct an immediate audit to account for the difference. Monthly totals will be compared to actual P&L statements for accuracy. Cash, debit card and credit card receipts will be placed in a deposit. Petty cash shall be recorded using the petty cash log.

- **Weekly Prime Cost Report** - The Owner will prepare a weekly report that shows the gross profit margin after cost of goods sold and labor cost has been deducted from the sales revenue. The prime cost for the food truck is expected to range from 40% to 50%.
  
- **Purchasing Records/Payables** - The Owner will handle and record invoices and credits daily, and prepare check disbursements as required. Comprehensive reports detailing accounts payable transactions, cash expenditures, and check payments will be prepared ready at all times.
  
- **Payroll** - The Owner will track reports from the attendance log system, make necessary adjustments, and issue checks. Payroll checks will be issued bi-monthly.

#### **SUBSECTION 6. OPERATIONAL SYSTEMS**

- **Inventory Checklist** – The Staff will track daily inventory of ingredients and supplies in the food truck using a log checklist. Replenishing of stocks will be the Owner’s responsibility.
  
- **Equipment and Safety Checklist** – The Staff will be responsible for ensuring all cooking equipment to be safe and fully functional at the beginning and end of every shift. This includes checking and inspecting all electrical sources, gas capacity, ventilation, etc. The checklist should be run through by the staff at the end of every shift.
  
- **Sanitation Checklist** – The Staff will be required to perform daily cleaning of the interior and exterior surfaces of the food truck, including all kitchen equipment. The checklist should be run through by the staff at the end of every shift.

### SECTION 3. MARKET ANALYSIS

The market and industry analysis have been discussed in detail in *Chapter 2, Section 2*. The chapter tackled the growth in the domestic market, industry participants, competitors, consumer profile, and cultural peculiarities that will directly affect the start-up business.

#### SUBSECTION 1. MARKET SIZE

*Table 6* below shows the estimated market size including the explanation of assumptions. The target market size is subsequently juxtaposed with the 1-year income statement forecast as shown in Chapter 3, Section 6, Subsection 4.

<b>Total Metro Manila Population</b>	
12,877,253	Metro Manila Population*
<b>Pasig &amp; Makati Expected Consumers</b>	
755,300	Pasig population**
582,602	Makati population**
1,337,902	Total population
668,951	Adult population (@50% of Total population)
<b>401,371</b>	<b>Pasig &amp; Makati Expected Consumers (with 60% safety factor)</b>
<b>Rest of Manila Expected Consumers</b>	
11,539,351	Rest of Manila population*
5,769,676	Rest of Manila adult population (@50% of Rest of Manila population)
3,461,805	Rest of Manila adult population with cars (@60%)
<b>1,730,903</b>	<b>Rest of Manila Expected Consumers (with cars and 50% safety factor)</b>
<b>Total ABC Consumers</b>	
401,371	Pasig & Makati Expected Consumers (with 60% safety factor)
1,730,903	Rest of Manila Expected Consumers (with cars and 50% safety factor)
2,132,273	Total projected consumers
<b>1,919,046</b>	<b>Total projected ABC consumers (@90% of Total projected consumers***)</b>

\*Manila Population 2019. (2019). Retrieved from <http://worldpopulationreview.com/world-cities/manila-population/>.

\*\*Census of Population (2015). "National Capital Region (NCR)". Total Population by Province, City, Municipality and Barangay. PSA.

\*\*\*Distribution of Families by Income Class, by Main Source of Income and by Region: 2012. (2012). Retrieved from <https://psa.gov.ph/>.

**Table 6 - Estimated market size computation**

## **SUBSECTION 2. UNMET NEEDS**

Based on the market analysis, consumer survey results, and interviews, the Market Needs can be identified as below:

- Need for more choices of Japanese food truck in Manila - as there is only 1 Japanese food truck in Manila, Ebi10
- Need for cheaper and accessible Japanese food truck in Manila
- Need for an authentic Japanese food and experience of *omotenashi*

## **SECTION 4. MARKETING STRATEGY AND IMPLEMENTATION**

### **SUBSECTION 1. POSITIONING**

The Unique Selling Positioning of the food truck in relation to its general strategy, marketing and promotional efforts will focus on addressing the unmet needs as shown above.

- **Food truck you can enjoy during lunch, *merienda* or dinner at various locations**

With this new food truck, more options for Japanese quick dining will be offered to Manila at both daytimes and evenings. And in the nearer future, when the scale becomes bigger, more and more locations will be added to provide diverse Japanese food offerings.

- **Price is equal to fast-food prices**

Japanese cuisine in Manila has an image of being in the tier of high-end cuisine. However, Girigiri food truck will be offering food at similar price point of (and at times lower than) fast-food prices.

- **Authentic Japanese food and experience of *omotenashi***

The added-value in Girigiri, in contrast to fast-food chains, is that despite there is similarity in price, the service provided by the Japanese staff, or Japanese culture-trained Filipino staff is genuine and of high quality. Besides, the Japanese food truck will never compromise on the quality

(freshness and hygiene) and quantity of food. Quality standards and guidelines will be created and distributed to staff to ensure high-level of consistency in all food offering. Should there be any changes (e.g. change in quantity, ingredients, etc), Girigiri will be transparent in giving sufficient notice to consumers.

## **SUBSECTION 2. IMPLEMENTATION**

### **A. MARKETING STRATEGY**

The business main marketing strategy is “To become recognized as Manila’s Japanese food truck providing top quality Food, Service, Experience”.

### **B. TACTICS: PHYSICAL CHANNELS**

- **Location** - The initial locations will be in Capitol Commons as “Park”, and in Poblacion, Makati as “Dock”. Having 2 different locations for 1 food truck, including the time when the food truck is plying along the main roads, the exposure of the food truck is maximized.
- **Food truck** - The design of the food truck must ensure sufficient allocation for signages, important contact details and website. As the food truck moves along main roads, it is essential that the signages are legible and clear enough to attract attention. Furthermore, the yatai-themed façade design of the truck must be an attraction in itself too – to the point of being labelled as “Instagrammable”.
- **Signposting** - The signpost is an important element of marketing whereby at times when the truck is not parked at the “Park” areas, a physical signpost is left behind to give information about the food truck. The information includes but not limited to the following:
  - Food truck name, photo
  - Concept of “Park-and-Dock” and brief information
  - Contact information such as mobile number, website, social media accounts

- Food offering schedules for the week, if any
- Information on catering services
  
- **Events** - Participating in weekend events such as food truck festivals, concerts, company caterings, etc. will help create more exposure. During these events, flyers and business cards will be ready for distribution and engagement.

#### B. TACTICS: DIGITAL CHANNELS FOR PR, MARKETING AND SOCIAL ENGAGEMENT

- **Website** - The website will contain very concise information about the food truck. This includes contact information, food offerings, schedules, events, promotions, press releases, etc. Budget allotted for the website will be minimal as the design and user-interface will be minimal to be in keeping with the Japanese sense of minimalism.
  
- **Social Media** - Accounts on Facebook, Instagram, Twitter, Youtube will be created and will be handled by the Owner. Content will be created aggressively to create more reach at the earliest. When the business grows, a 3<sup>rd</sup> party part-time social media manager will be employed.
  
- **PR Communications and Social Media influencers** - To create buzz at launch of the food truck, press releases will be in order. This includes features in blogs, vlogs, tweets, and Facebook posts of social media influencers. Budget will be allotted for micro-influencers who have sufficient engagement with the right market. During the following months after launch, news outlets, newspapers and magazines will be contacted to publish digital and printed contents.

### SUBSECTION 3. PROMOTIONS

- **Loyalty/ Birthday Club Programs** - To encourage repeat customers, Girigiri will offer a birthday/ loyalty club providing a complimentary food for the birthday celebrant or to the person who has achieved certain number of stamps. According to Angela Prilliman, "*loyalty programs are more*

*successful than other forms of advertising because they identify people who are already receptive to the message. Repeat customers spend 33% more new customers and refer their favorite restaurants to friends and families at a 107% rate, (Prilliman, 2013).”*

- **Word-of-Mouth** - The Owner will maximize his network of domestic, international and professional circles, friends and family in sparking a word-of-mouth campaign of the food truck. The Owner will also seek assistance from family members who are in the social media business.
- **Games** - To gain wider attention, with the intent of triggering customers to share their experience on social media, gamification tactics will be employed. This includes but not limited to the following:
  - QR Code capture which will lead to sign-ups/ games in exchange for freebies
  - To commemorate notable Japanese matsuris, themed games/ raffles will be arranged
  - Business cards raffles

#### **SUBSECTION 4. PRICING**

The 3 criteria for setting the prices are as follows:

- **Operational costs calculations** - Cost accounting is important, since the profitability of individual food offering can vary significantly and will initially determine the cost of the menu items.
- **General public demand** - This criterion was based on the survey result that the majority of the target market at 62% is willing to pay at a maximum of ₱199 (400 円). Furthermore, the results also show that around 22% of the survey respondents are willing to pay at a maximum of ₱299 (600 円) which can be the price point for limited time-offer or seasonal offerings.

- **Competitor pricing** - Based on the general pricing strategy of fast-food chains in the Philippines, the typical set meals cost around ₱150 (300 円). To ensure that the cost is not prohibitive, the price should at least be equalized. If it should be any higher than fast-food pricing, the differentiation must be communicated well enough to justify the premium and arrest any hesitation to purchase.

Furthermore, Girigiri will take advantage of the credit terms with suppliers and will also update menu to maximize seasonality, for example, in local produce items. The Prime Cost Report will be closely monitored to control COGS, operational costs, or any variables.

## **SECTION 5. ORGANIZATION AND MANAGEMENT**

Girigiri expects to have a total of 6 staff, including the Owner. The staff will be scheduled in shifts with 3 staff for the Park shift and 3 for the Dock shift. Every shift will comprise of the following:

- **1 Manager (usually the Owner)** - controls the POS, prints out order tickets, ensures the orders released are correct, plates, and serves the orders.
- **1 Chef** – prepares and cooks the foods, and checks the Inventory Checklist.
- **1 Assistant** – assists the Chef in preparing and cooking food, checks the Equipment and Safety, and Sanitation Checklist inventory

In case of catering, events and absences, the staff will be rotated as and when required. The Owner will personally recruit the staff based on standards designated for respective positions, personal background and overall demeanor. The Chef is preferably Japanese who is conversational in English. Recruiting efforts will primarily center on referrals.



The restaurant will be solely managed by the Owner, including taking on other management tasks such as marketing and sales, etc. When learning curve stabilizes and when necessary, any management team gaps will be filled in by either existing staff members or future new hires.

## SECTION 6. FINANCIAL ANALYSIS

### SUBSECTION 1. START-UP COSTS

Total start-up costs will be ₱1,251,000 which will be secured 100% from the Owner's personal savings. The assets have 2 major components: one is the truck and the equipment inside, the other is the equipment, furniture and fixtures at the Dock location. Insurances, business permits, rent security deposits under Fixed Costs are all assumed based on current market rates. A detailed breakdown of the initial investment plan is shown in *Table 7*.

<b>Initial Investment Plan</b>		
	<b>Amount</b>	<b>Type</b>
<b>Equipment and Other Assets (Truck)</b>		
Food Inventory (One Week)	70,000.00	<i>Inventory</i>
Truck	500,000.00	<i>Equipment</i>
Cooking tools (pots, pans, ladders)	6,000.00	<i>Supplies</i>
Prep tools (knives, cutting board)	6,000.00	<i>Supplies</i>
Storage containers	5,000.00	<i>Supplies</i>
Hood	15,000.00	<i>Equipment</i>
Heater	17,500.00	<i>Equipment</i>
Fridge	15,000.00	<i>Equipment</i>
Microwave	5,000.00	<i>Equipment</i>
Wash Bin	10,500.00	<i>Equipment</i>
Takoyaki pan	3,000.00	<i>Equipment</i>
Deep fryer	3,000.00	<i>Equipment</i>
Blender	2,000.00	<i>Equipment</i>
Drinks machine	8,000.00	<i>Equipment</i>
Fixtures (Japanese decors)	30,000.00	<i>Equipment</i>
Water tank (2/200 L)	25,000.00	<i>Equipment</i>
POS system	80,000.00	<i>Equipment</i>
Security system	50,000.00	<i>Equipment</i>
Provisional Sum	20,000.00	<i>Equipment</i>
<b>Total</b>	<b>871,000.00</b>	
<b>Equipment and Other Assets (Dock)</b>		
Furniture (table, chairs, shelves)	50,000.00	<i>Equipment</i>
Fixtures	100,000.00	<i>Equipment</i>
<b>Total</b>	<b>150,000.00</b>	
<b>Fixed Costs</b>		
Business Permits and Licenses	50,000.00	<i>Expense</i>
Insurance Fees	60,000.00	<i>Expense</i>
Security Deposit (Rent)	80,000.00	<i>Asset</i>
Marketing Expenses	40,000.00	<i>Expense</i>
<b>Total</b>	<b>230,000.00</b>	
<b>Total Initial Investment</b>	<b>1,251,000.00</b>	

**Table 7 - Initial Investment Plan**

## SUBSECTION 2. SALES FORECAST

Sales projections shown in *Table 8* is based on the following assumptions:

- The number of customers is based on casual interviews with owners of F&B establishments in both Kapitolyo and Poblacion
- Dinner purchases are higher than lunches due to inclusion of drinks
- Saturday daily sales is lumped as scheduling may vary according to weekend events
- Weekend events are festivals, concerts, catering events, company invitations. Sales are also lumped.

<b>Sales Forecast</b>				
<b>Daily, Weekly and Monthly for Year 1</b>				
	<b>Customers</b>	<b>Avg Purchase</b>	<b>Sales</b>	<b>Monthly</b>
<b>Monday Daily Total</b>				
Lunch	70	165.00	11,550.00	
Merienda	40	50.00	2,000.00	
Dinner	45	300.00	13,500.00	
			<b>27,050.00</b>	<b>108,200.00</b>
<b>Tuesday Daily Total</b>				
Lunch	65	165.00	10,725.00	
Merienda	30	50.00	1,500.00	
Dinner	45	300.00	13,500.00	
			<b>25,725.00</b>	<b>102,900.00</b>
<b>Wednesday Daily Total</b>				
Lunch	65	165.00	10,725.00	
Merienda	30	50.00	1,500.00	
Dinner	50	300.00	15,000.00	
			<b>27,225.00</b>	<b>108,900.00</b>
<b>Thursday Daily Total</b>				
Lunch	70	165.00	11,550.00	
Merienda	40	50.00	2,000.00	
Dinner	60	300.00	18,000.00	
			<b>31,550.00</b>	<b>126,200.00</b>
<b>Friday Daily Total</b>				
Lunch	75	165.00	12,375.00	
Merienda	55	50.00	2,750.00	
Dinner	70	300.00	21,000.00	
			<b>36,125.00</b>	<b>144,500.00</b>
<b>Saturday Daily Total</b>				
Whole Day	80	300.00	24,000.00	
			<b>24,000.00</b>	<b>96,000.00</b>
<b>Weekend Event 1</b>	90	150.00	13,500.00	
<b>Weekend Event 2</b>	90	150.00	13,500.00	
			<b>27,000.00</b>	<b>54,000.00</b>
<b>Weekly Sales</b>	1,070	165.00	<b>198,675.00</b>	
<b>Monthly Sales</b>				<b>740,700.00</b>
<b>Annual Sales</b>				<b>8,888,400.00</b>
<b>Average Buy per Person</b>				<b>173.06</b>

**Table 8 - Sales forecast**

### **SUBSECTION 3. MONTHLY INCOME STATEMENT FOR YEAR 1**

The financial data on *Table 9* shows the monthly income statement for the first year. A season multiplier was considered to factor in sales sensitivity; explanations of which are found at the bottom of the table. Monthly sales without the season multiplier is at ₱740,700. A simple illustration as shown in *Graph 12* shows the components of the monthly sales (COGS, total expenses, income tax, profit margin) that increase and decrease due to different seasonal factors. It can be seen that sales forecast will be at its lowest in January, and the rainy season from June to August. The sales forecast start to increase again starting in September, and peaking in December during Christmas and bonus season.

A Prime Cost Rate was also added in this financial data to track the fluctuation of the prime cost. Acceptable prime cost rate is expected to range from 40% to 50%.

Several assumptions and clarifications were made for this data:

- COGS is 30% of sales
- Salaries to chef and staff is above the minimum wage in order to attract and retain more experienced staff
- Rent and Utilities expenses are based on average market rate
- Depreciation expense is calculated using straight-line depreciation method with 4 years of useful life
- Fixed costs include business permit, insurance, salaries expense, rent, depreciation expense, and marketing expense
- Variable costs include water, electricity, LPG expense, supplies, and transportation/ logistics expenses.

**Income Statement  
Monthly Breakdown for Year 1**

	0.7	0.8	0.9	1	1.2	0.8	0.8	0.8	0.7	0.9	1.3	1.4	1.5	Y1 Total
Season Multiplier	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec		
Monthly Sales	518,490.00	592,560.00	666,630.00	740,700.00	888,840.00	592,560.00	592,560.00	518,490.00	666,630.00	962,910.00	1,036,980.00	1,111,050.00	1,111,050.00	8,888,400.00
Cost of Goods Sold	155,547.00	177,768.00	199,989.00	222,210.00	266,852.00	177,768.00	177,768.00	155,547.00	199,989.00	288,873.00	311,094.00	333,315.00	333,315.00	2,666,520.00
<b>Gross Profit</b>	<b>362,943.00</b>	<b>414,792.00</b>	<b>466,641.00</b>	<b>518,490.00</b>	<b>622,188.00</b>	<b>414,792.00</b>	<b>414,792.00</b>	<b>362,943.00</b>	<b>466,641.00</b>	<b>674,037.00</b>	<b>725,886.00</b>	<b>777,735.00</b>	<b>777,735.00</b>	<b>6,221,880.00</b>
Business Permit	50,000.00	-	-	-	-	-	-	-	-	-	-	-	-	50,000.00
Insurance	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	60,000.00
Salaries Expense	88,000.00	88,000.00	88,000.00	88,000.00	88,000.00	88,000.00	88,000.00	88,000.00	88,000.00	88,000.00	88,000.00	88,000.00	88,000.00	1,066,000.00
Rent	65,000.00	65,000.00	65,000.00	65,000.00	65,000.00	65,000.00	65,000.00	65,000.00	65,000.00	65,000.00	65,000.00	65,000.00	65,000.00	780,000.00
Water	5,600.00	6,400.00	7,200.00	8,000.00	9,600.00	6,400.00	6,400.00	5,600.00	7,200.00	10,400.00	11,200.00	12,000.00	12,000.00	96,000.00
Electricity	7,000.00	8,000.00	9,000.00	10,000.00	12,000.00	8,000.00	8,000.00	7,000.00	9,000.00	13,000.00	14,000.00	15,000.00	15,000.00	120,000.00
LPG Expense	21,000.00	24,000.00	27,000.00	30,000.00	36,000.00	24,000.00	24,000.00	21,000.00	27,000.00	39,000.00	42,000.00	45,000.00	45,000.00	360,000.00
Supplies	14,000.00	16,000.00	18,000.00	20,000.00	24,000.00	16,000.00	16,000.00	14,000.00	18,000.00	26,000.00	28,000.00	30,000.00	30,000.00	240,000.00
Transportation/Logistics	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	216,000.00
Depreciation Expense	19,458.33	19,458.33	19,458.33	19,458.33	19,458.33	19,458.33	19,458.33	19,458.33	19,458.33	19,458.33	19,458.33	19,458.33	19,458.33	233,500.00
Marketing Expense	40,000.00	20,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	10,000.00	10,000.00	10,000.00	96,000.00
Amortization Expense														
<b>Total Expenses</b>	<b>333,058.33</b>	<b>269,858.33</b>	<b>261,658.33</b>	<b>288,458.33</b>	<b>282,058.33</b>	<b>254,858.33</b>	<b>254,858.33</b>	<b>248,058.33</b>	<b>261,658.33</b>	<b>288,858.33</b>	<b>300,658.33</b>	<b>307,458.33</b>	<b>307,458.33</b>	<b>3,331,500.00</b>
<b>Net Income Before Tax</b>	<b>29,884.67</b>	<b>144,933.67</b>	<b>204,982.67</b>	<b>250,031.67</b>	<b>340,129.67</b>	<b>159,933.67</b>	<b>159,933.67</b>	<b>114,884.67</b>	<b>204,982.67</b>	<b>385,178.67</b>	<b>425,227.67</b>	<b>470,276.67</b>	<b>470,276.67</b>	<b>2,890,380.00</b>
<b>Income Tax Expense</b>	<b>8,965.40</b>	<b>43,480.10</b>	<b>61,494.80</b>	<b>75,009.50</b>	<b>102,038.90</b>	<b>47,980.10</b>	<b>47,980.10</b>	<b>34,465.40</b>	<b>61,494.80</b>	<b>115,553.60</b>	<b>127,568.30</b>	<b>141,083.00</b>	<b>141,083.00</b>	<b>867,114.00</b>
<b>After Tax Net Income</b>	<b>20,919.27</b>	<b>101,453.57</b>	<b>143,487.87</b>	<b>175,022.17</b>	<b>238,090.77</b>	<b>111,953.57</b>	<b>111,953.57</b>	<b>80,419.27</b>	<b>143,487.87</b>	<b>269,625.07</b>	<b>297,659.37</b>	<b>329,193.67</b>	<b>329,193.67</b>	<b>2,023,266.00</b>
<b>Prime Cost</b>	<b>243,547.00</b>	<b>265,768.00</b>	<b>287,989.00</b>	<b>310,210.00</b>	<b>354,652.00</b>	<b>265,768.00</b>	<b>265,768.00</b>	<b>243,547.00</b>	<b>287,989.00</b>	<b>376,873.00</b>	<b>399,094.00</b>	<b>421,315.00</b>	<b>421,315.00</b>	<b>3,722,520.00</b>
<b>Prime Cost Rate</b>	<b>0.47</b>	<b>0.45</b>	<b>0.43</b>	<b>0.42</b>	<b>0.40</b>	<b>0.45</b>	<b>0.45</b>	<b>0.47</b>	<b>0.43</b>	<b>0.39</b>	<b>0.38</b>	<b>0.38</b>	<b>0.38</b>	<b>0.42</b>

**Season Multiplier**

Jan-Mar – Q1 slower sales because of higher holiday spend

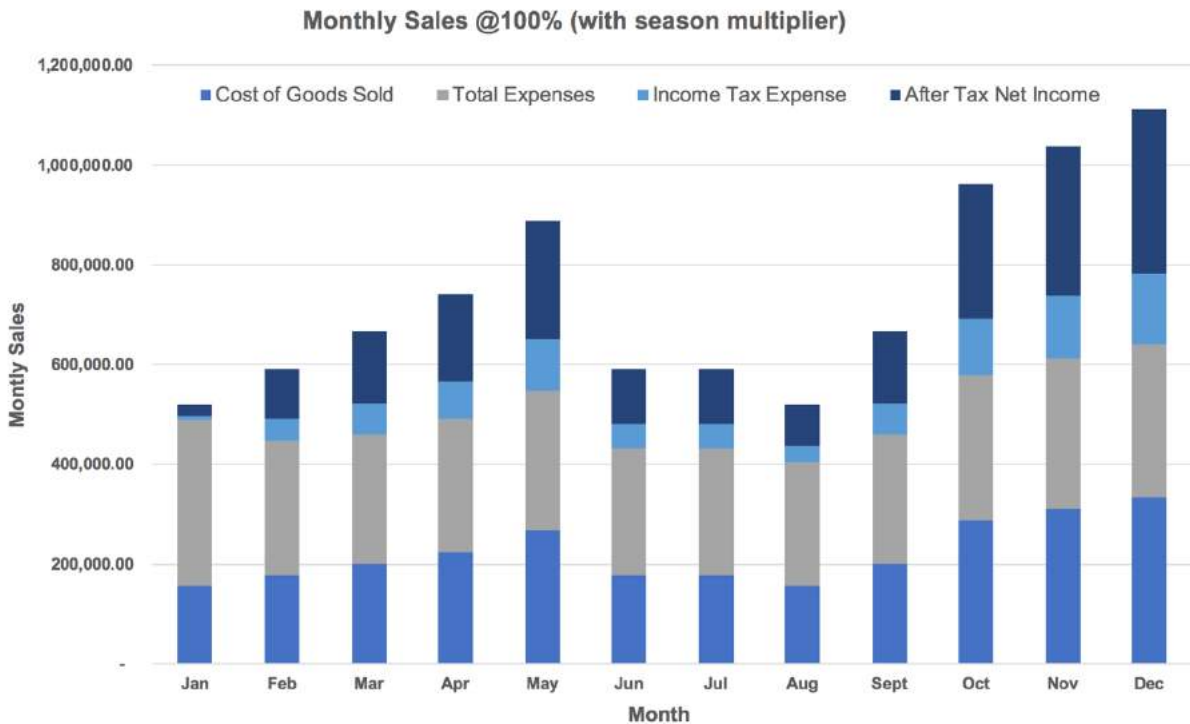
Apr-May – sales are normalizing and more outdoor sales during summer

Jun-Aug – rainy season, less outdoor sales

Sep-Dec – sales will start to pick up for the holiday season, 13<sup>th</sup> month pay spend

**Table 9 - Monthly income statement for Year 1**

<b>Breakdown</b>	
Monthly Sales w/o Seasonality	740,700.00
Salaries Expense	88,000.00
Employees - Staff	3.00
Wages	16,000.00
Employees - Cook	2.00
Wages	20,000.00
<b>Rent Expense</b>	<b>65,000.00</b>
Park	15,000.00
Dock	50,000.00
<b>Utilities</b>	
Water	8,000.00
Electricity	10,000.00
LPG	30,000.00
Supplies	20,000.00
Transpo and Logistics	18,000.00
<b>Depreciation Expense</b>	<b>19,458.33</b>
Cost of Equipment	934,000.00
Useful Life (Years)	4.00
Months	12.00



**Graph 12 - Monthly Sales Forecast**

#### **SUBSECTION 4. 1-YEAR INCOME STATEMENT**

In forecasting 1-year income statement as shown in *Table 10*, a sensitivity factor of 100%, 80%, 70%, 60%, 50%, 44%, and 30% were further considered to the annual sales. In the context of a food truck business in Manila, *the sales is the only main factor to be considered in the sensitivity analysis based on assumed foot traffic and season*. At this juncture, economic and political stability can be expected at least until the end of the Duterte administration. The volatility of the expenses (fixed and variable costs) has minimal effect on the overall sales.

The sensitivity at 44% was included since the break-even computation shown in *Table 12* shows that the business will not incur losses if 44% of anticipated sales is achieved. To show the comprehensive range of sales, the sensitivity was spread widely.

As expected, the expenses make up the highest component of the total sales at any sensitivity factor. COGS, on the other hand, will be kept at 30% of the sales. Once the business settles, the company will focus on ways to create leaner and smaller COGS.

Payback period was ultimately determined using the sensitivity analysis:

100% sales = 7.5 months

80% sales = 11.5 months

70% sales = 16 months

60% sales = 26 months

50% sales = 67 months

44% sales = 2,665 months

30% sales = -90 months

Acceptable payback period for food trucks vary per city and cuisine. Moreover, there is unfortunately no available data for Manila as the food truck industry is niche and small. However, for the purpose of establishing acceptable payback period, the Owner will allow no more than 16 months, which is targeting 70% sales or above. This means, once the sales go below 70%, the Owner must make urgent business decisions. The decision gateway in *Figure 7* shows the pathway once sales have not been met, or otherwise. While above 44% of target sales remains to be satisfactory with respect to breaking even, continuing the business beyond 16 months to simply reach the break-even point is not a rational business path as the company will simply continue spending to the point of debt. Therefore, **targeting 70% sales and above only** will be the only business discretion that is acceptable to the Owner.

Furthermore, based on the Market Size as shown in *Table 6*, roughly 2 million people living in Metro Manila is the target market. To reach 100% sales, an annual number of 51,360 consumers is required (@1,070 consumers weekly). That equals to about 2.6% of the entire target market population. This seems plausible.

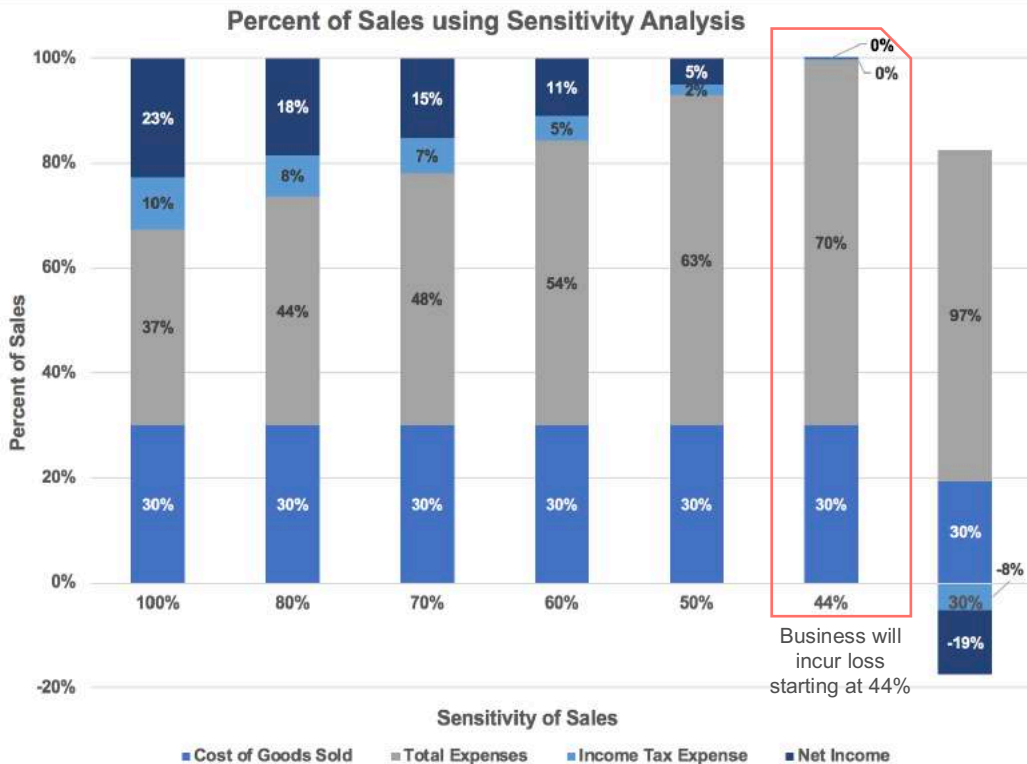
**Income Statement Sensitivity Analysis**

**1-Year Period**

	100%	80%	70%	60%	50%	44%	30%
<b>Year</b>							
Annual Sales	8,888,400.00	7,110,720.00	6,221,880.00	5,333,040.00	4,444,200.00	3,910,896.00	2,666,520.00
Cost of Goods Sold	2,666,520.00	2,133,216.00	1,866,564.00	1,599,912.00	1,333,260.00	1,173,268.80	799,956.00
<b>Gross Profit</b>	<b>6,221,880.00</b>	<b>4,977,504.00</b>	<b>4,355,316.00</b>	<b>3,733,128.00</b>	<b>3,110,940.00</b>	<b>2,737,627.20</b>	<b>1,866,564.00</b>
<b>Expenses</b>							
Business Permit	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00
Insurance	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00
Salaries Expense	1,056,000.00	1,056,000.00	1,056,000.00	1,056,000.00	1,056,000.00	1,056,000.00	1,056,000.00
Rent	780,000.00	780,000.00	780,000.00	780,000.00	780,000.00	780,000.00	780,000.00
Water	96,000.00	76,800.00	67,200.00	57,600.00	48,000.00	42,240.00	28,800.00
Electricity	120,000.00	96,000.00	84,000.00	72,000.00	60,000.00	52,800.00	36,000.00
LPG Expense	360,000.00	288,000.00	252,000.00	216,000.00	180,000.00	158,400.00	108,000.00
Supplies	240,000.00	192,000.00	168,000.00	144,000.00	120,000.00	105,600.00	72,000.00
Transportation/Logistics	216,000.00	172,800.00	151,200.00	129,600.00	108,000.00	95,040.00	64,800.00
Depreciation Expense	233,500.00	233,500.00	233,500.00	233,500.00	233,500.00	233,500.00	233,500.00
Marketing Expense	96,000.00	96,000.00	96,000.00	96,000.00	96,000.00	96,000.00	96,000.00
Amortization Expense	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>3,331,500.00</b>	<b>3,101,100.00</b>	<b>2,997,900.00</b>	<b>2,894,700.00</b>	<b>2,791,500.00</b>	<b>2,729,580.00</b>	<b>2,585,100.00</b>
Net Income Before Tax	2,890,380.00	1,876,404.00	1,357,416.00	838,428.00	319,440.00	8,047.20	- 718,536.00
Income Tax Expense	867,114.00	562,921.20	407,224.80	251,528.40	95,832.00	2,414.16	- 215,560.80
<b>Net Income</b>	<b>2,023,266.00</b>	<b>1,313,482.80</b>	<b>950,191.20</b>	<b>586,899.60</b>	<b>223,608.00</b>	<b>5,633.04</b>	<b>- 502,975.20</b>
<b>Average Monthly Income</b>	<b>168,605.50</b>	<b>109,456.90</b>	<b>79,182.60</b>	<b>48,908.30</b>	<b>18,634.00</b>	<b>469.42</b>	<b>- 13,971.53</b>
<b>Investment</b>	<b>1,251,000.00</b>	<b>1,251,000.00</b>	<b>1,251,000.00</b>	<b>1,251,000.00</b>	<b>1,251,000.00</b>	<b>1,251,000.00</b>	<b>1,251,000.00</b>
<b>Payback Period (months)</b>	<b>7.42</b>	<b>11.43</b>	<b>15.80</b>	<b>25.58</b>	<b>67.14</b>	<b>2,664.99</b>	<b>- 89.54</b>

<b>In Sales Value</b>	100%	80%	70%	60%	50%	44%	30%
Sensitivity							
Cost of Goods Sold	2,666,520.00	2,133,216.00	1,866,564.00	1,599,912.00	1,333,260.00	1,173,268.80	799,956.00
Total Expenses	3,331,500.00	3,101,100.00	2,997,900.00	2,894,700.00	2,791,500.00	2,729,580.00	2,585,100.00
Income Tax Expense	867,114.00	562,921.20	407,224.80	251,528.40	95,832.00	2,414.16	- 215,560.80
Net Income	2,023,266.00	1,313,482.80	950,191.20	586,899.60	223,608.00	5,633.04	- 502,975.20

<b>In Percent of Sales</b>	100%	80%	70%	60%	50%	44%	30%
Sensitivity							
Cost of Goods Sold	30%	30%	30%	30%	30%	30%	30%
Total Expenses	37%	44%	48%	54%	63%	70%	97%
Income Tax Expense	10%	8%	7%	5%	2%	0%	-8%
Net Income	23%	18%	15%	11%	5%	0%	-19%



**Table 10 - 1-Year income statement**



## **SUBSECTION 5. 3-YEAR INCOME STATEMENT**

In forecasting 3-year income statement as shown in *Table 11*, the sensitivity factors of 100%, 80%, 70%, 60%, and 50% were only considered. The 44% and below factors were ignored in this case as the figures will not mean anything in terms of meeting the company's target goals.

A yearly marketing effect multiplier was considered to show that there is an increase of sales due to marketing and exposure of the business. This is a very conservative multiplier since the food truck will also increase scale aggressively in the subsequent years.

The year-over-year growth of the annual sales is forecast at 7%.

## **SUBSECTION 6. BREAK-EVEN ANALYSIS**

Total fixed costs associated with the food truck and pop-up restaurant are ₱2,275,500 and represent the annual expenses. The variable cost is estimated to be ₱88.89 per meal. Based on the assumption of ₱173.06 as the average meal price, the breakeven revenue then is ₱4,678,870.37 or 27,036 meals (units). This is further depicted in *Table 12* and *Graph 13*.

The break-even point in units sold is at 22,519 meals; while break-even in revenue is ₱3,897,155 in annual sales. It is important to note that the break-even units as a percent of sales is at 44%. This means that if 44% of anticipated sales is achieved, the business will not incur losses. Below 44%, the business will be at a loss. Above 44%, profits will be earned. Therefore, the sensitivity analysis of the income statements had included the 44% as the break-even mark.

**Income Statement Sensitivity Analysis**  
**3-Year Period**

Marketing Effect Multiplier	100%			80%			70%			60%			50%		
	Y1	Y2	Y3	Y1	Y2	Y3	Y1	Y2	Y3	Y1	Y2	Y3	Y1	Y2	Y3
Annual Sales	8,888,400.00	9,777,240.00	10,666,080.00	7,110,720.00	7,821,792.00	8,532,864.00	6,221,880.00	6,844,068.00	7,466,256.00	5,333,040.00	5,866,344.00	6,399,648.00	4,444,200.00	4,888,620.00	5,333,040.00
Cost of Goods Sold	2,666,520.00	2,933,172.00	3,199,824.00	2,133,216.00	2,346,537.60	2,560,860.20	1,866,564.00	2,053,220.40	2,239,876.80	1,599,912.00	1,759,903.20	1,919,894.40	1,333,260.00	1,466,586.00	1,599,912.00
<b>Gross Profit</b>	<b>6,221,880.00</b>	<b>6,844,068.00</b>	<b>7,466,256.00</b>	<b>4,977,504.00</b>	<b>5,475,254.40</b>	<b>5,972,003.80</b>	<b>4,355,316.00</b>	<b>4,790,847.60</b>	<b>5,226,379.20</b>	<b>3,733,128.00</b>	<b>4,106,440.80</b>	<b>4,479,753.60</b>	<b>3,110,940.00</b>	<b>3,422,034.00</b>	<b>3,733,128.00</b>
<b>Expenses</b>															
Business Permit	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00
Insurance	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00
Salaries Expense	1,056,000.00	1,056,000.00	1,056,000.00	1,056,000.00	1,056,000.00	1,056,000.00	1,056,000.00	1,056,000.00	1,056,000.00	1,056,000.00	1,056,000.00	1,056,000.00	1,056,000.00	1,056,000.00	1,056,000.00
Rent	780,000.00	780,000.00	780,000.00	780,000.00	780,000.00	780,000.00	780,000.00	780,000.00	780,000.00	780,000.00	780,000.00	780,000.00	780,000.00	780,000.00	780,000.00
Water	96,000.00	105,600.00	115,200.00	76,800.00	84,480.00	92,160.00	67,200.00	73,920.00	80,640.00	57,600.00	63,360.00	69,120.00	48,000.00	52,800.00	57,600.00
Electricity	120,000.00	132,000.00	144,000.00	96,000.00	105,600.00	115,200.00	84,000.00	92,400.00	100,800.00	72,000.00	79,200.00	86,400.00	60,000.00	66,000.00	72,000.00
LPG Expense	360,000.00	396,000.00	432,000.00	288,000.00	316,800.00	345,600.00	252,000.00	277,200.00	302,400.00	216,000.00	237,600.00	259,200.00	180,000.00	198,000.00	216,000.00
Supplies	240,000.00	264,000.00	288,000.00	192,000.00	211,200.00	230,400.00	168,000.00	184,800.00	201,600.00	144,000.00	158,400.00	172,800.00	120,000.00	132,000.00	144,000.00
Transportation/Logistics	216,000.00	237,600.00	259,200.00	172,800.00	190,080.00	207,360.00	151,200.00	166,320.00	181,440.00	129,600.00	142,560.00	155,520.00	108,000.00	118,800.00	129,600.00
Depreciation Expense	233,500.00	233,500.00	233,500.00	233,500.00	233,500.00	233,500.00	233,500.00	233,500.00	233,500.00	233,500.00	233,500.00	233,500.00	233,500.00	233,500.00	233,500.00
Marketing Expense	96,000.00	96,000.00	96,000.00	96,000.00	96,000.00	96,000.00	96,000.00	96,000.00	96,000.00	96,000.00	96,000.00	96,000.00	96,000.00	96,000.00	96,000.00
Amortization Expense															
<b>Total Expenses</b>	<b>3,331,500.00</b>	<b>3,410,700.00</b>	<b>3,513,900.00</b>	<b>3,101,100.00</b>	<b>3,183,660.00</b>	<b>3,266,220.00</b>	<b>2,997,900.00</b>	<b>3,070,140.00</b>	<b>3,142,380.00</b>	<b>2,894,700.00</b>	<b>2,956,620.00</b>	<b>3,018,540.00</b>	<b>2,791,500.00</b>	<b>2,843,100.00</b>	<b>2,894,700.00</b>
<b>Net Income Before Tax</b>	<b>2,890,380.00</b>	<b>3,433,368.00</b>	<b>3,952,356.00</b>	<b>1,876,404.00</b>	<b>2,291,594.40</b>	<b>2,705,783.80</b>	<b>1,357,416.00</b>	<b>1,720,707.60</b>	<b>2,083,999.20</b>	<b>838,428.00</b>	<b>1,149,820.80</b>	<b>1,461,213.60</b>	<b>319,440.00</b>	<b>578,934.00</b>	<b>838,428.00</b>
<b>Income Tax Expense</b>	<b>867,114.00</b>	<b>1,030,010.40</b>	<b>1,185,706.80</b>	<b>562,921.20</b>	<b>687,478.32</b>	<b>791,225.58</b>	<b>407,224.80</b>	<b>516,212.28</b>	<b>625,199.76</b>	<b>251,528.40</b>	<b>344,946.24</b>	<b>438,364.08</b>	<b>95,832.00</b>	<b>173,680.20</b>	<b>251,528.40</b>
<b>After Tax Net Income</b>	<b>2,023,266.00</b>	<b>2,403,357.60</b>	<b>2,766,649.20</b>	<b>1,313,482.80</b>	<b>1,604,116.08</b>	<b>1,914,558.22</b>	<b>950,191.20</b>	<b>1,204,495.32</b>	<b>1,458,799.44</b>	<b>586,899.60</b>	<b>804,874.56</b>	<b>1,022,849.52</b>	<b>223,608.00</b>	<b>405,253.80</b>	<b>586,899.60</b>
<b>Average Monthly Income</b>	<b>168,605.50</b>			<b>109,456.90</b>			<b>79,182.60</b>			<b>48,908.30</b>			<b>18,634.00</b>		
<b>Investment</b>	<b>1,251,000.00</b>			<b>1,251,000.00</b>			<b>1,251,000.00</b>			<b>1,251,000.00</b>			<b>1,251,000.00</b>		
<b>Payback Period (months)</b>	<b>7.42</b>			<b>11.43</b>			<b>15.80</b>			<b>25.58</b>			<b>67.14</b>		

**Table 11 - 3-Year income statement**

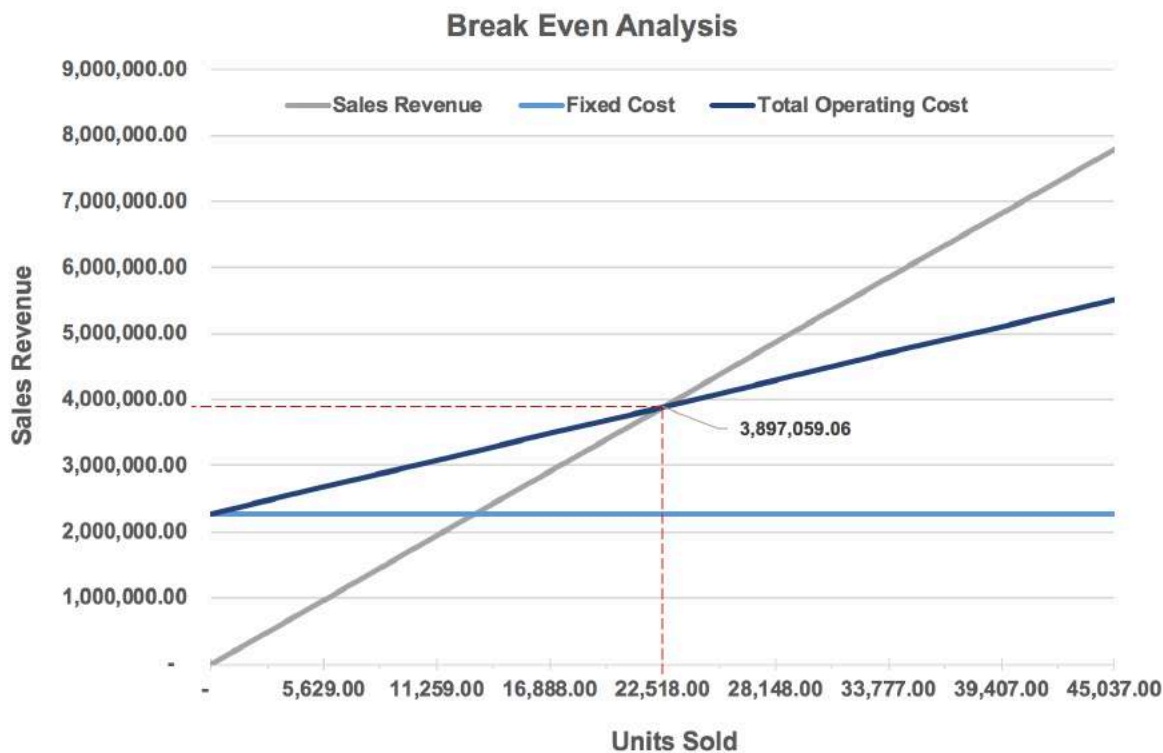
## Break Even Analysis

Total Fixed Cost	2,275,500.00
Total Variable Cost Per Sale	72.01
Sale Price Per Unit	173.06
Anticipated Unit Sales	51,360.00
<b>Break Even Point (units)</b>	<b>22,519.00</b>
<b>Break Even Point (PHP)</b>	<b>3,897,154.98</b>
<b>BE units as a % of sales</b>	<b>44%</b>

If 44% of anticipated sales is achieved, the business will not incur losses. Below 44%, the business will be at a loss. Above 44%, profits will be earned.

Units Sold	Sales Revenue	Variable Cost	Fixed Cost	Profit/Loss
-	-	-	2,275,500.00	- 2,275,500.00
5,629.00	974,158.95	405,353.76	2,275,500.00	- 1,706,694.81
11,259.00	1,948,490.96	810,779.53	2,275,500.00	- 1,137,788.57
16,888.00	2,922,649.91	1,216,133.29	2,275,500.00	- 568,983.38
22,518.00	3,896,981.92	1,621,559.06	2,275,500.00	- 77.14
28,148.00	4,871,313.93	2,026,984.83	2,275,500.00	568,829.09
33,777.00	5,845,472.87	2,432,338.59	2,275,500.00	1,137,634.28
39,407.00	6,819,804.88	2,837,764.36	2,275,500.00	1,706,540.52
45,037.00	7,794,136.89	3,243,190.13	2,275,500.00	2,275,446.76

Table 12 - Break-even analysis



Graph 13 - Break-even point

## SUBSECTION 7. BALANCE SHEET

The balance sheet in *Table 13* shows a 3-year forecast.

### Balance Sheet

	Initial	End of Year		
	Balance Sheet	Y1	Y2	Y3
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash	150,000.00	2,156,766.00	4,793,623.60	7,793,772.80
Food Inventory	70,000.00	100,000.00	120,000.00	150,000.00
Supplies	17,000.00	25,000.00	40,000.00	50,000.00
Security Deposit	80,000.00	80,000.00	90,000.00	100,000.00
<b>Total Current Assets</b>	<b>317,000.00</b>	<b>2,361,766.00</b>	<b>5,043,623.60</b>	<b>8,093,772.80</b>
<b>Fixed Assets</b>				
Truck	500,000.00	500,000.00	500,000.00	500,000.00
Other Equipment	434,000.00	434,000.00	434,000.00	434,000.00
Less: Accumulated Depreciation	-	233,500.00	467,000.00	700,500.00
<b>Total Assets</b>	<b>1,251,000.00</b>	<b>3,062,266.00</b>	<b>5,510,623.60</b>	<b>8,327,272.80</b>
<b>LIABILITIES</b>				
Accounts Payable	-	38,000.00	83,000.00	133,000.00
Truck Loan	250,000.00	-	-	-
<b>Total Liabilities</b>	<b>250,000.00</b>	<b>38,000.00</b>	<b>83,000.00</b>	<b>133,000.00</b>
<b>EQUITY</b>				
Owner's Equity	1,001,000.00	1,001,000.00	1,001,000.00	1,001,000.00
Retained Earnings	-	2,023,266.00	4,426,623.60	7,193,272.80
<b>Total Equity</b>	<b>1,001,000.00</b>	<b>3,024,266.00</b>	<b>5,427,623.60</b>	<b>8,194,272.80</b>
<b>Total Liabilities and Equity</b>	<b>1,251,000.00</b>	<b>3,062,266.00</b>	<b>5,510,623.60</b>	<b>8,327,272.80</b>

Table 13 - Balance sheet

## SUBSECTION 8. CASH FLOW STATEMENT

The cash flow statement in *Table 14* shows a 3-year forecast.

### 3-Year Cash Flow

	Y1	Y2	Y3
<b>Beg Cash</b>	<b>150,000.00</b>	<b>2,156,766.00</b>	<b>4,793,623.60</b>
Inflow from Sales	8,888,400.00	9,777,240.00	10,666,080.00
Outflow from COGS	2,666,520.00	2,933,172.00	3,199,824.00
Outflow from Operating Expenses	3,331,500.00	3,410,700.00	3,513,900.00
Add back: Depreciation Expense	233,500.00	233,500.00	233,500.00
Outflow from Payment of Truck Loan	250,000.00	-	-
Outflow from Tax	867,114.00	1,030,010.40	1,185,706.80
<b>End Cash</b>	<b>2,156,766.00</b>	<b>4,793,623.60</b>	<b>7,793,772.80</b>

Table 14 - 3-Year Cash flows

## SECTION 7. HORIZONS OF GROWTH

Girigiri will focus its expansion on 3 horizons of growth. At inception, the business will aim at establishing its core capabilities and brand image. It will then expand from a small-scale business to become a platform, and ultimately offer franchise packages. *Figure 6* presents the horizons of growth with details explained below.

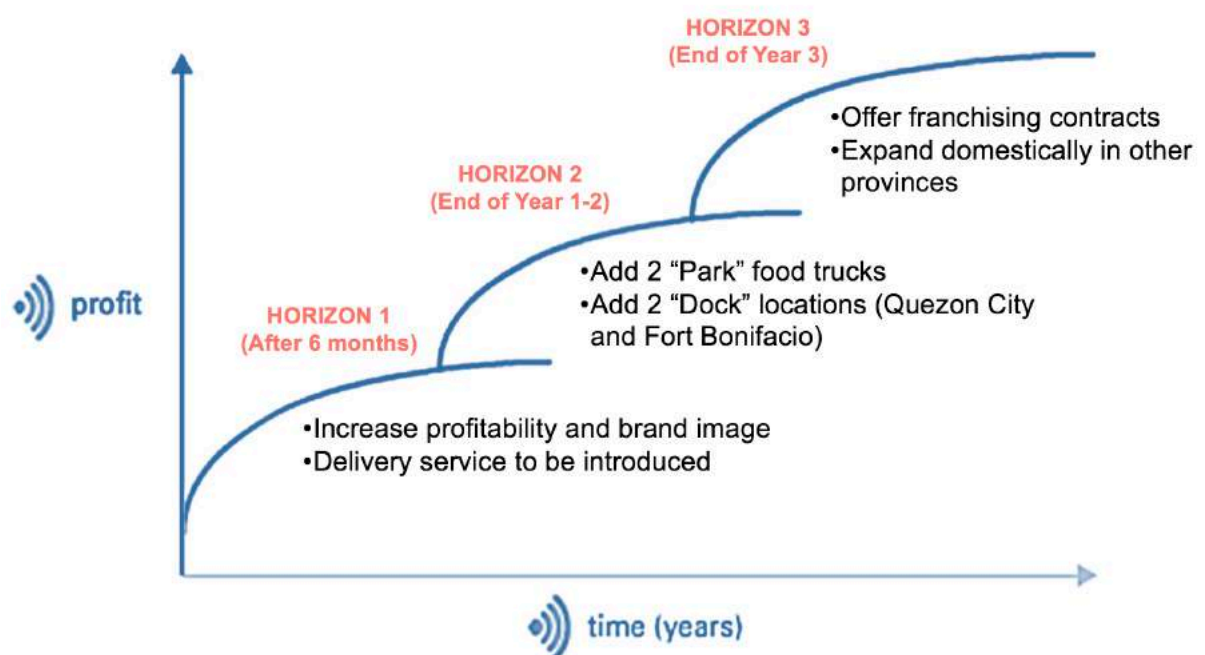


Figure 6 - Horizons of growth

- **Horizon 1: Within 6 months** – To provide continuous innovation of the food truck’s simple and existing business model and core capabilities in the short-term.
  - Continually increase profitability and brand image and recognition
  - Determine best practices, and test food offering to determine permanent menu
  - Determine inclusion of delivery service
  - Explore use of automation in the everyday operations (e.g. using apps, Japanese POS - with currency change dispensing and recycling system)

- **Horizon 2: End of Year 1-2** – To expand business model and core capabilities to new customers, markets, and channels.
  - Add 2 “Park” food trucks
  - Add 2 “Dock” locations (Quezon City and Fort Bonifacio)

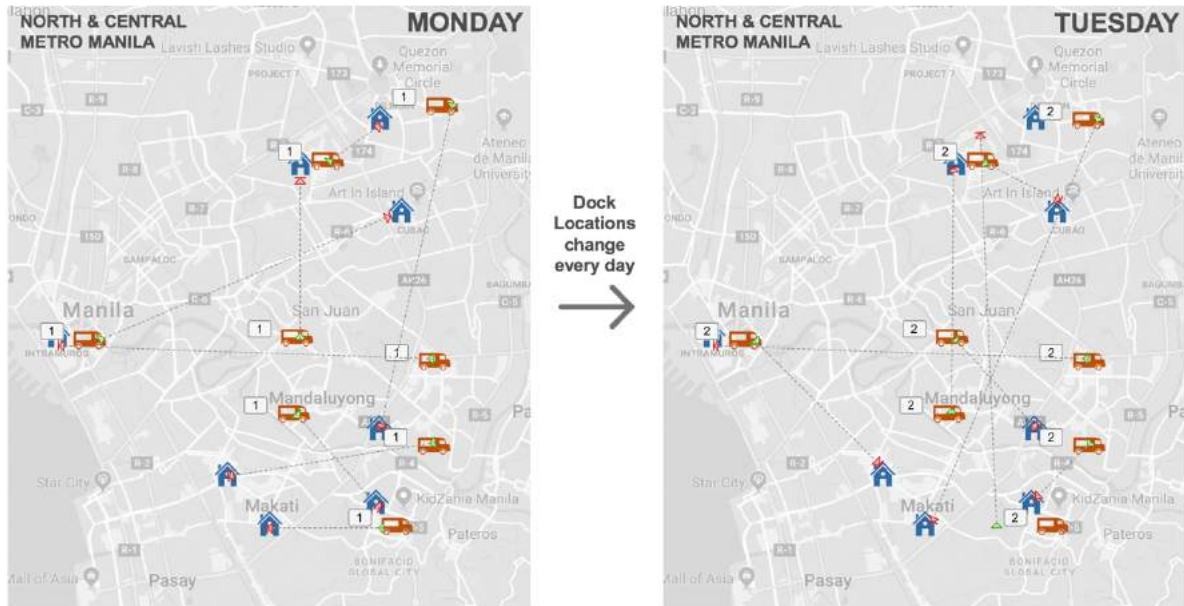
Year 1 and 2 will be a crucial year for the business as the Park-and-Dock will most likely start to branch out to become a platform. At this juncture, additional food trucks and dock locations will remain solely owned by the Owner.

It is forecasted that during these years, 2 food trucks and 2 dock locations will be added. Having 3 food trucks before the end of Year 2, it is necessary to have 3 different main specialties and themes to be offered by each food truck (i.e. 1 food truck specializes on donburi, 1 food truck specializes on ramen, 1 food truck specializes on takoyaki and yakisoba). To bring the variety of food offering to the masses, each food truck will change its location every night. Consequently, to pre-empt and inform the consumers of the changing locations of the food trucks, the website, social media accounts, and the physical signposts will publish the weekly schedule.

- **Horizon 3: End of Year 3** – To create new capabilities and new businesses to disrupt the industry, and create more opportunities, and/or to counter disruption.
  - Offer franchising contracts
  - Digitalization of signposts which includes assignment of daily locations of food trucks, determination of best location of food truck via data algorithms of food sales, foot traffic
  - Expand domestically in other provinces

From Year 3, it is envisioned that an excellent brand image and recall has been established. Furthermore, the expanded Park-and-Dock model would have been tried-and-tested at this stage. Several park trucks and dock locations would have been added, and the complex platform should be

at peak at this juncture. *Figure 7* shows an example as to how the dock locations change every night to bring different food offerings to consumers.



**Figure 7 - Park-and-Dock platform in Horizon 3**

To further expand the business, the food truck will be offered as a franchise to those who wish to join in the growing business platform – with various package offerings depending on the franchisees’ capabilities. It is also intended that upon purchase of a truck franchise, the franchisee would have already determined the Park and Dock locations and has done due diligence in acquiring proper licenses to the dock locations. This will ensure that as the number of food trucks increase, the number of dock locations will simultaneously increase. Throughout this new venture of franchise offering, the management of Girigiri will be in full control – from creation of standards and contracts, approval of franchises, assistance of setting-up for new franchisees, and balancing profits among franchisees.

Furthermore, the 3rd horizon will see Girigiri as expanding not only in Manila, but also in suburban Manila, and the rest of the major cities in the Philippines. The horizons of growth that was employed in Manila can be applied to the other major cities as well.

## **SECTION 8. GROWTH AND EXIT DECISION GATEWAY**

The decision gateway for growth and exit is shown in *Figure 8* to guide the Owner in taking major company decisions. Based on the below figure, achieving certain sales target is the only variable by which major decisions are to be made – other factors were not considered. There are also milestones and danger points where the Owner needs to ponder on and take immediate action.

There is a leeway of either 1-2 months to allow for the food truck to improve should certain targets are not met. At this stage, the Owner shall make quick business decisions such as increasing the marketing spending and activities, changing the look-and-feel of the food truck, cost-cutting, etc. If the leeway lapsed, then the company shall go into the phase of Exit.

The Exit strategy will be triggered for implementation once the sales plateaus at 70% for more than a month. At this juncture, the Owner can easily choose to absolve the business or seek willing investors to pursue activities together such as turning the business around, or creating an entirely new business model.

Should the Owner choose to absolve, disposal of food truck, kitchen equipment, furniture at dock locations, fixtures, and all other additional assets such as staff's uniforms, administrative supplies and machines would occur at auction. All other additional food inventory would be considered a write-off because of its quick perishable time.



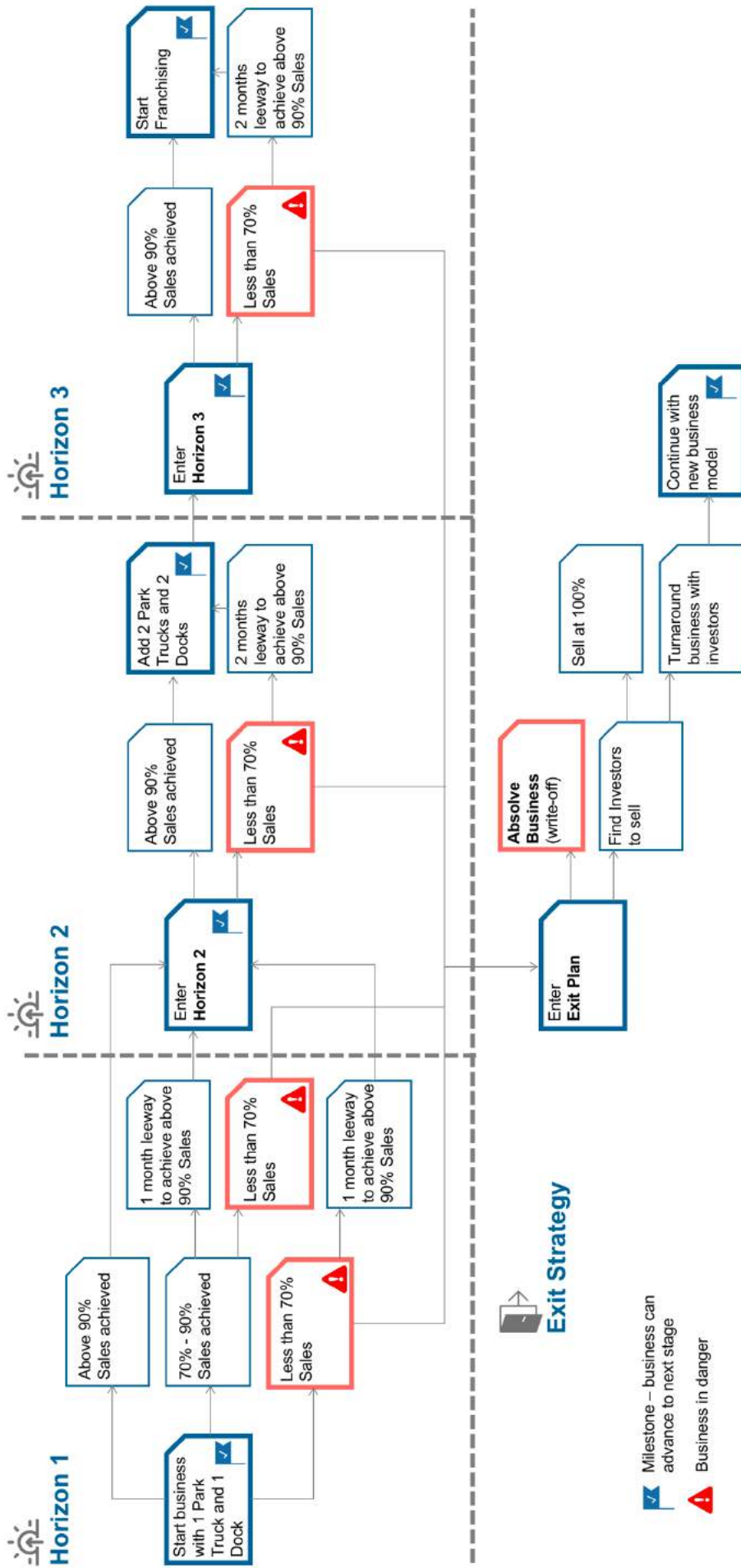


Figure 8 - Growth and exit decision gateway

## **SECTION 9. RISK MANAGEMENT**

The start-up venture takes into consideration the major risks that may arise in the process of launching and in the day-to-day operations. These are categorized under Internal, External, Customer, and Competitor risks.

### **▪ Internal Risks**

#### **a. Staff training and retention**

Protecting employees from harm in the workplace should be a top priority in Girigiri to avert potentially disastrous situations. This requires sufficient staff training in work safety (lifting and carrying techniques), safety procedures (storage and handling of food and ingredients), customer service, and alcohol service.

#### **b. Services Automation (Use of technology for ordering system, POS, inventory, security systems, cashless payments, etc)**

A number of operational hazards can be prevented when various technologies are in place to secure the food truck. This includes installation of security cameras that will allow monitoring of the POS system, minimizing the possibility of theft. Also, food truck management software, such as automatic ordering systems, cashless payments systems will be put in place to keep track of transactions to ensure finances and inventory are in order.

### **▪ Customer Risks**

#### **a. Sanitary & Maintenance**

Strict compliance to safety codes will prevent the business from charges and violations. It will create safer conditions for employees and customers and drastically reduce risks of complaints and lawsuits. Compliance to sanitation requires employees to observe personal hygiene at all times, ensuring that all health and safety codes are cleared and inspected, all facilities and equipment are in good working condition, and storage must comply with local regulations. It

should be noted that health and sanitary inspections are arbitrarily conducted, and therefore it is important that all necessary actions must be completed daily to prepare for any surprise inspections.

**b. Allergens & Dietary information**

It is imperative to disclose all allergens and dietary contents of food to customers to arrest any complaints or lawsuits. All potential allergens must be displayed on the menu to assist customers with dietary restrictions. Nutritional information, including calories, will also be helpful for low-calorie options.

▪ **Competitor Risks**

**a. Location**

To avert any risks of competitors within the vicinity, selecting a good location is a strategic defense. When the scale of the business grows, and when more locations are in place, this can be a strong defense against competitors who will likely imitate the business. Furthermore, providing signposts, however small the impact could be, can provide recall to passersby about the food truck.

**b. Brand Image**

One of the strongest ways to protect the business from imitators is to establish a strong brand identity and image that is memorable, meaningful and inimitable. Bringing in the authentic Japanese *omotenashi* and culture - through hiring Japanese staff, and/ or properly training local staff with the Japanese “way of things” - is important in creating the desired strong brand identity.

- **External Risks**

- a. **Inclement Weather**

According to a study by the Washington Hospitality Association, “*More than 90 percent of restaurant operators indicate that changes in local weather conditions affect their sales and customer counts*”, (Weather often a barometer of sales, traffic”, 2012). In the case of Manila, the harsh weather during summer (March-April) and typhoon season (June-August) can affect foot traffic and sales. To address the risks from inclement weather, being flexible and forward-thinking in adjusting staff schedule (extra shifts can make up for day offs due to inclement weather). Also, inclement weather can open the possibility of providing delivery services. Lastly, data analytics can also help in determining contingency plans due to weather conditions. Some POS systems can include weather data to learn about trends of food during specific weather condition.

## **CHAPTER 4. CONCLUSION**

This thesis was primarily aimed at creating a business plan for a Japanese gourmet yatai-themed food truck in Manila called “Girigiri”. The food truck uses a “Park-and-Dock” model whereby the food truck will “park” at an outdoor location in the mornings serving lunch and snacks, and subsequently, the food truck will “dock” in an indoor parking driveway as a pop-up restaurant in the evenings serving casual dinner and drinks.

The production of this thesis focused on three important and major tasks: firstly, the creation of a business planning framework which forms the process of investigating the market. Secondly, through the business planning framework, a thorough deductive analysis of consumer and competitor behaviors was performed (using the survey results and interview responses from entrepreneurs in Manila). Lastly and most importantly, this thesis has produced a comprehensive business plan detailing the food offerings, systems, business and marketing strategies, financial data, growth and exit strategies, among many others. The thesis was produced to theoretically allow readers to acquire familiarity and understanding of business plan writing for F&B industry establishments, particularly to those who are interested in establishing their own food trucks in Manila.

The Author (the Owner) has created the business plan with the intent of fully realizing the business in the near future. Therefore, this thesis was written not only to develop a business plan theoretically, but more importantly to create a business plan that is realistic, scalable, and readily achievable.

From the interviews and market research surveys, there were a number of challenges, unmet needs, lessons learned that were encountered. All these important learnings have been deliberated and considered in the business plan itself. The lessons learned were the foundations that have led into crafting the Key Actions to overcome any challenges brought on by changing consumer needs, stiff

competition, and any economic and political concerns within the realm of Organization, Administrative & Operations, Marketing, and Budgeting & Finance.

This thesis has also pondered on the growth and exit decision gateways when sales either increase or decrease. The horizons of growth outline the future of the business considering the sensitivity of the sales. The beauty and complexity of the Park-and-Dock platform will reveal itself once the scale grows exponentially in the future. When the platform expands, this business plan will also need to expand to consider the network of the Park-and-Dock platform (as the physical assets increase, the sales is expected to increase exponentially). Meanwhile, while the aim of every business is to generate profits and survive sustainably, in the unfortunate event of decreasing sales and unrecoverable losses, exit strategies have been put in place.

Ultimately, the Author believes that the idea of business plan creation was never aimed to give assurance that the business will succeed. It was intended to ponder on every single scenario that may occur in the business – may it be fortunate or unfortunate events - and to provide respective appropriate actions to protect and enable the business to grow. It is also in the same credence that the Author believes that while the business plan can theoretically guide the entrepreneur, the actual ability of the entrepreneur to make right and quick decisions as and when required will dictate the success or demise of the business.

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## APPENDIX 1. INTERVIEW SUMMARY

### Interview 1:

#### Filipino Food Industry

Shamcey Supsup and Lloyd Lee

27 February 2019, 20:00

#### Barriers to Entry

- Government
- Government only supports companies who support them. They don't support SMEs.
- If you are not successful, they will not mind you.
- The bigger you become, the more the government wants to take a share from you or they will kill you.

#### Challenges to Starting up

- In the PH, connections is primary, and system is secondary
- Start with connections and friends, and then get consultants
- Don't start too big. Start small as you are only starting.
- Despite the competitive market, making the concept experiential can make your restaurant successful

#### Top 3 things to look into

- Food - consistency of food and quality
- Ambience
- Service - food turnover, waiters
- Marketing is secondary

#### How to Open a Business

- Create a team - legal, business development, accounting, operations. Majority of the success depends on the people that you hire.
- Build the system
- Marketing is extremely important - going with the trend and the impact of celebrities! Fast food chains (targeting)
- Don't go to the niche, target the bigger base of the PH demographics, especially if you want to be a chain restaurant.

#### Marketing

- Celebrities - for big fast-food chains who are financially capable. Some chains can pool in the money to celebrities (Php2M)
- For SMEs - bloggers and social media influencers (around Php3K)
- Press conference - inviting newspapers and media (around Php150K without food)

#### Average consumer spending

- 100-200 fastfood
- 250-350 Class C casual restaurant
- 400-500 Class B
- 550 & up Class A

#### Financials

- Restaurant fit out
- 100 seating capacity Php6-8M
- 60 seating capacity Php4-6M
- ROI 3-4 years
- 80-100 seating
- Daily sales Php40-50K
- Monthly sales Php1.2M

#### Cultural peculiarities

- Auditing of stores
- The more you resist the culture in the PH, the more you will lose
- You can never be 100% honest

#### Entrepreneurship

- If you are not a risk-taker, you are not an entrepreneur
- If you lose, what's important is to have the attitude to still continue investing
- It is important to set your contentment

## **Interview 2:**

### **Japanese Restaurants in Manila**

Celline Bautista and Jacob Bautista

28 February 2019, 17:00

#### **Success factors**

- Quality of food is never compromised - even if the price will need to increase by a small amount. Nothing is half-baked
- Quality of service - taking care of the customers well, and listening to the customers especially their criticisms more than good feedbacks. Can't please everybody. Staff has been in the restaurant, since the beginning.
- Entrepreneurs are very focused and active - 3 branches existing and 2 new opening. The entrepreneurs are in the restaurants every day.
- Very flexible in creativity and management - If they want to test a food, there is no need to go through levels of permission. They can easily craft a food and immediately test it in the market.

#### **Menu Selection**

- When Filipinos order food in a full-on Japanese restaurant, tempura is usually a staple order. - But there has been no proper specialty tempura restaurant in Manila back then in 2013. So tempura was the best choice.
- However, there are some staple Japanese classics in the menu, covering all the meats
- Menu is very limited. Small menu but everything moves is preferred than bigger menu but the movement is slow.

#### **Why do they Fail**

- So caught up in the concept - they don't evolve
- Manpower issues - When you hire staff, you also hire their families and their worries and problems

#### **Foot traffic**

- 110 Weekdays (Wednesday is usually the peak) and 160 Weekends
- Days of the week doesn't matter any longer in terms of foot traffic. Friday is not the best due to people preventing the traffic
- Php500 per head
- Sales psqm is highest in Grove, but not the highest in monthly sales

#### **Adjusting the taste**

- Whatever you eat in Japan will never always be a hit in the PH. Can't be too pure
- Very flavorful - more salty, more sweet. Filipino love sauce! The taste is heightened.
- When you have restaurants named after, and manned by a Japanese chef, then the restaurants require taste not to be adjusted. However, for chains, the taste need to do be adjusted to the Filipino palate.

#### **Ingredients and Commissary**

- Commissary is only used to ensure consistency of the sauces. However, for the food prep, everything is done in the kitchens
- Pricing of food depends on the prices of Japan
- The size of the shrimps is always the same - Consistency is the key

#### **Delivery**

- No delivery because the cost does not justify the sales
- The quality is compromised (especially for tempura) during the delivery time

#### **Japanese restaurant market in Manila**

- Competition is now cut-throat in Manila
- Japanese cuisine is comfort food. Its not easy to cook Japanese food at home. Ingredients are not easy to find in Manila.
- Tenya and Tendon Ohaku are the main tempura competitors. But simply tempura, there are no competitors.

**Interview 2:**  
**Food Truck Industry in the Philippines**  
**Lyle de Leon**  
26 February 2019, 20:00

**History**

- Due to the growing scene of food truck industry in the PH, Philippine Mobile Food Truck Association (non-profit organization) was established 6 years ago with the goals:
  1. To support the SME entrepreneurs - specially to get through the complexities of obtaining permits
  2. To strengthen the industry by allowing only 1 form of contact - for events planning
  3. To protect the earning capacity of each food truck by separate the food trucks in different locations in case of redundant food truck concepts
- They were given a place in Capital Commons - thats where they start. There were 2,000 visitors/ night. Furthermore, during the weekends, the food trucks were invited for events and parties.
- Then, individually, the food truckers found their own parking spaces.

**How to get into the association**

- No to big corporations. Only SMEs.
- Owner has to be a chef.
- There are guidelines to comply. There is a panel to look into your application in the association (concept, taste, plating, etc)
- Reputation is important to the entire association that is why guidelines are required.
- No sense of competition within the group, nesting everyone in the organization
- There are independent food trucks in the association, but you will have difficulty in getting through the entire process.
- Success rate of food trucks are higher if you join the association because everyone helps each other. There are mentors already in the group.

**How to start a food truck (regulations)**

- Simply get the license.
- However, because the food truck is moving, the commissary becomes the business place itself, and the food truck is deemed as a roving branch/ delivery.
- Classification remains as a food stall or a catering service
- Therefore, there is not much control
- If you want to park, find a location, and get permit from a Barangay to park.

**Market**

- Too many restaurants, and the consumers are becoming wiser with their options.
- Cut-throat competition as Filipino families know how to cook
- The market is big enough and the economy strong enough to absorb new entrants in the restaurant business. Do it right and you will be rewarded well.

**Menu and Operations**

- Usually, the food truck is known for particular food offering, make it simple. Then, you have seasonal/ limited time-offer food
- Food trucks are mostly for events
- You can't prevent them copycats. But you just have to coin a particular food, and you will be known for it.
- Food trucks have experimental menu - fusion cuisines. Something not common. Every week, there has to be new menu
- It is a must to tweak the flavor to the Filipino palate - sweet and salty
- Commissaries are only to pack and weigh particular meats. But cooking in the food truck
- All the food that you offer should be same process, but you simply tweak some the flavor or sauces

### **Success factors of food trucks? Turnover rate?**

- Being part of the association plays a huge part in the success of the food truck, simply because you immediately get the start-up assistance from the veteran entrepreneurs
- Food trucks can be easily evolved. Simply change the stickers, design and the food offering, and you can already create a brighter business

### **Pricing and Offering**

- Php500k start-ups, but equipment price depends on the cuisine and food you are serving
- Products evolve depending on the season and depends on where the events will be
- Soulfood corndogs - PHP150 to 200 - then this depends on the place where you are parking the foodtruck

### **Challenges**

- Parking
- Support from the local government - since there is a gray area (no categorization), they

### **Competitor**

- Fast-food (rice toppings at Php70)
- Foodcourts
- Daily food price - Php150max
- Do not expand so quick especially when you are not prepared to manage so many branches, and also due to competitors

### **Why so few Japanese food truck in the PH**

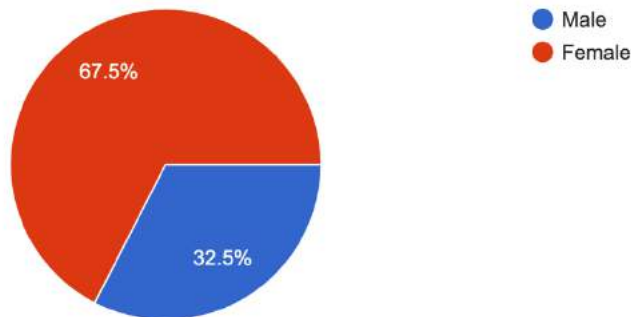
- Too many processes in the food
- Ingredients are rare and expensive
- How to ensure the freshness of the food

## APPENDIX 2. MARKET RESEARCH ONLINE SURVEY RESULTS

### A. Respondents' Profile

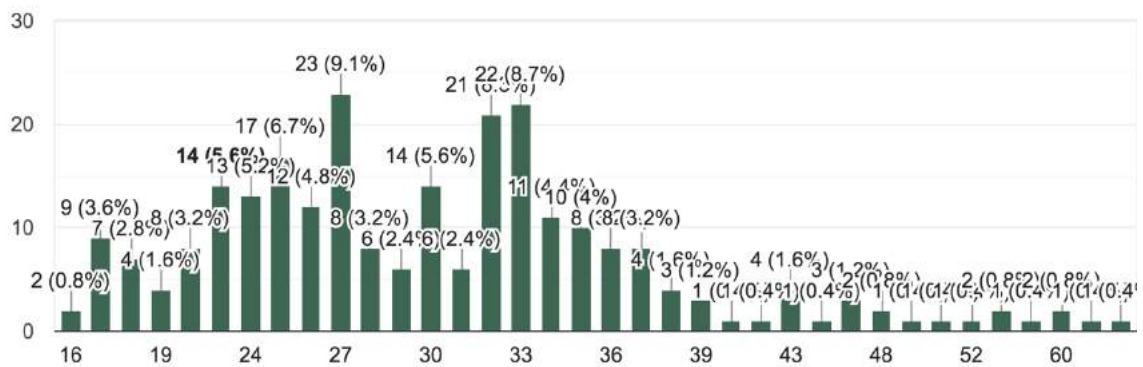
#### 1. Gender

252 responses



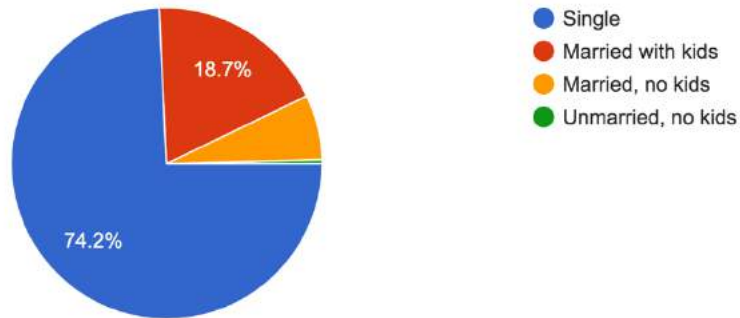
#### 2. Age

252 responses



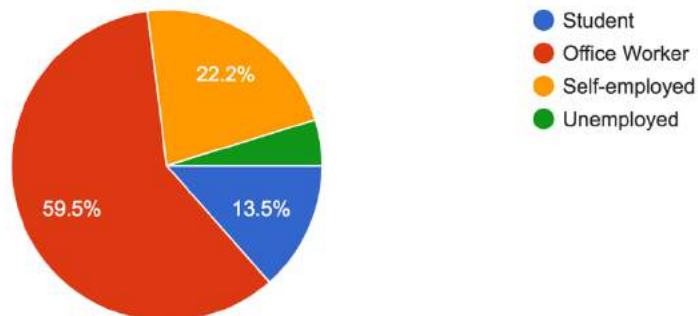
### 3. Marital Status

252 responses



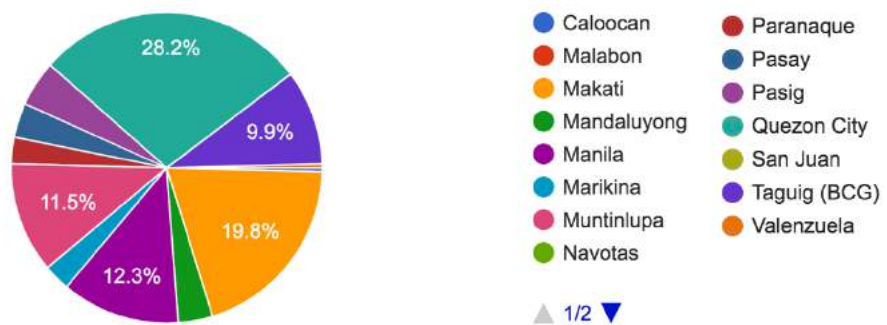
### 4. Occupation

252 responses



### 5. On a daily basis, which area of Metro Manila do you spend most of your time?

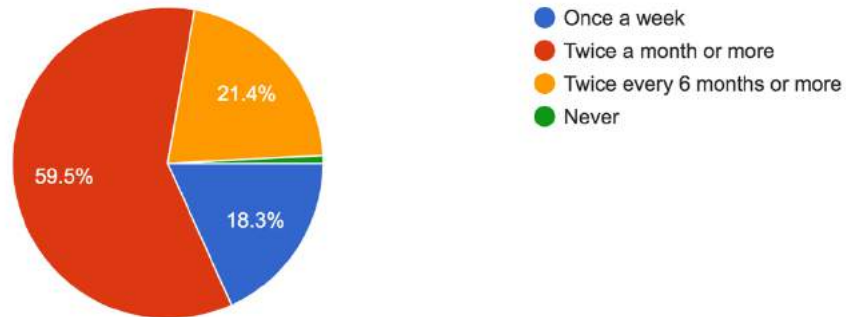
252 responses



## B. Japanese Cuisine Preferences

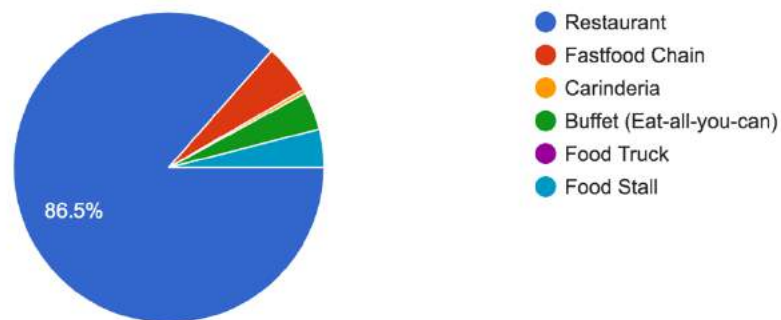
### 6. How often do you eat Japanese food?

252 responses



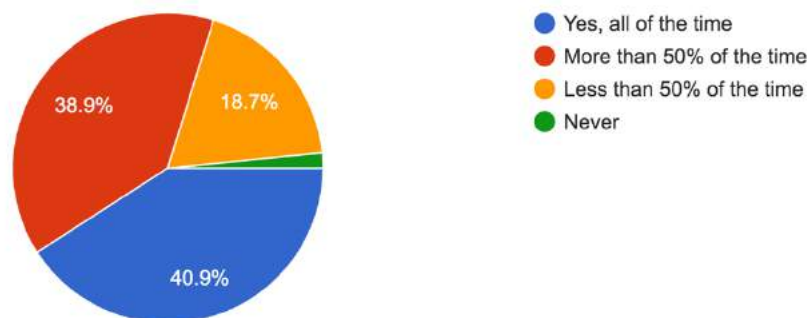
### 7. When you feel like having Japanese food, which food establishment do you most often go to?

252 responses



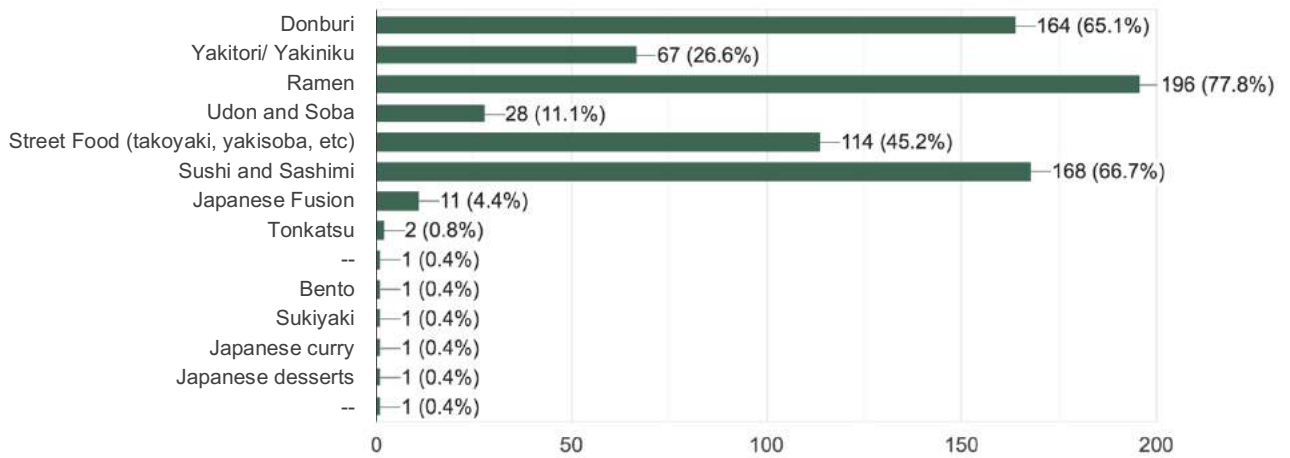
### 8. Next to Filipino cuisine, do you consider Japanese cuisine as a choice for comfort food?

252 responses



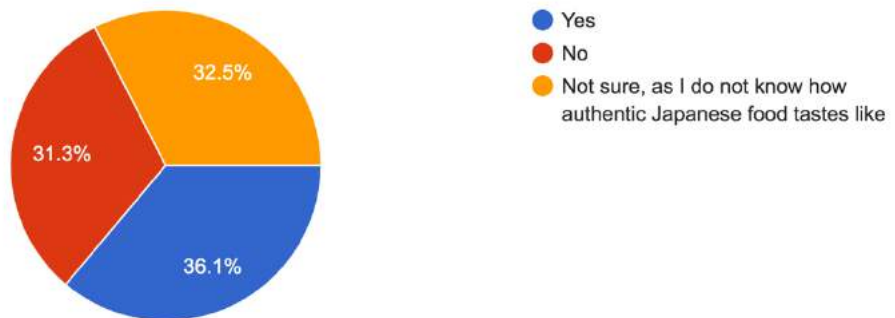
### 9. Please check your Top 3 Japanese food in order of preference

252 responses



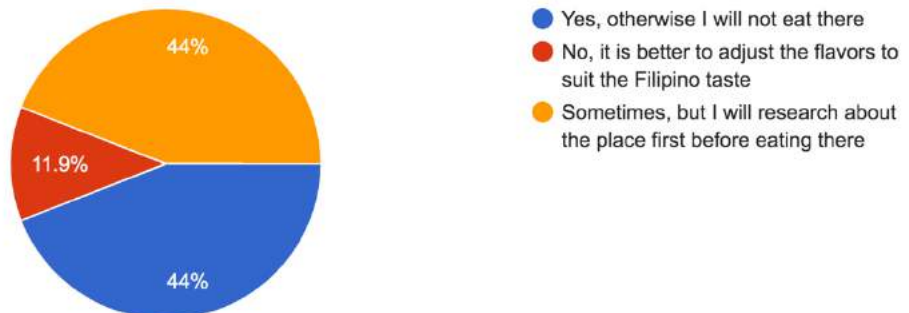
### 10. Do you think Japanese food in the Philippines generally taste "authentic"?

252 responses



### 11. Is it necessary for a Japanese restaurant in Manila to stay true to the authentic Japanese taste?

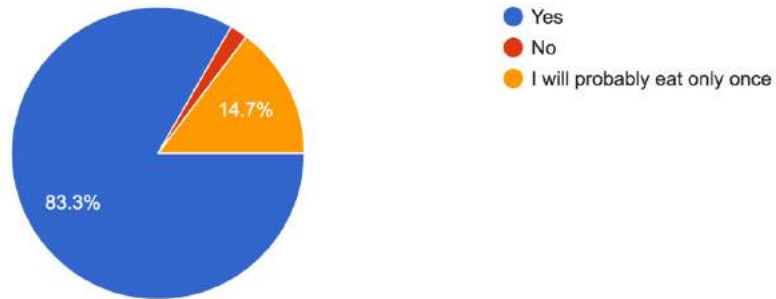
252 responses





## 12. Will you eat in a "Japanese fusion" food establishment?

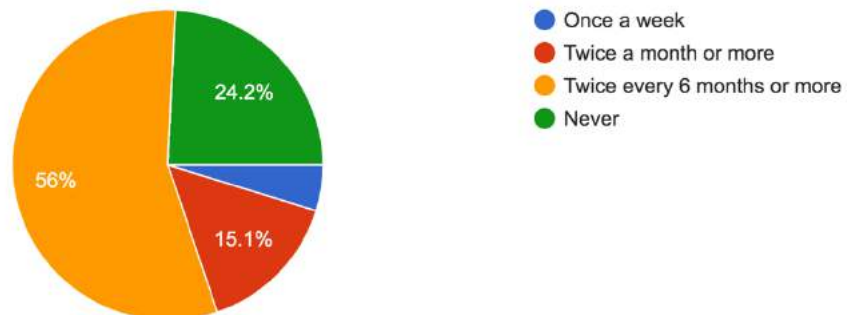
252 responses



## C. Food Truck Culture in the Philippines

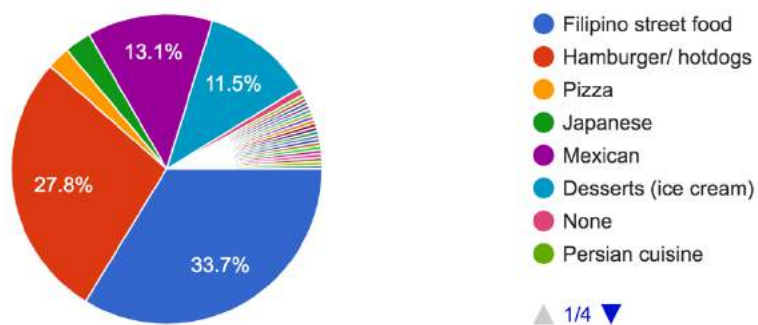
### 13. How often do you buy food at a food truck in Manila?

252 responses



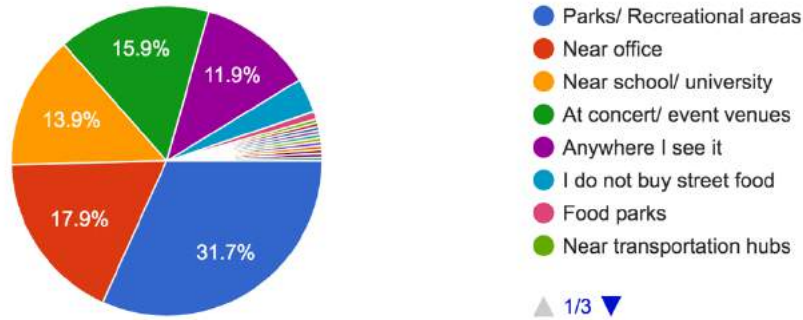
### 14. Which food from a food truck would you usually buy?

252 responses



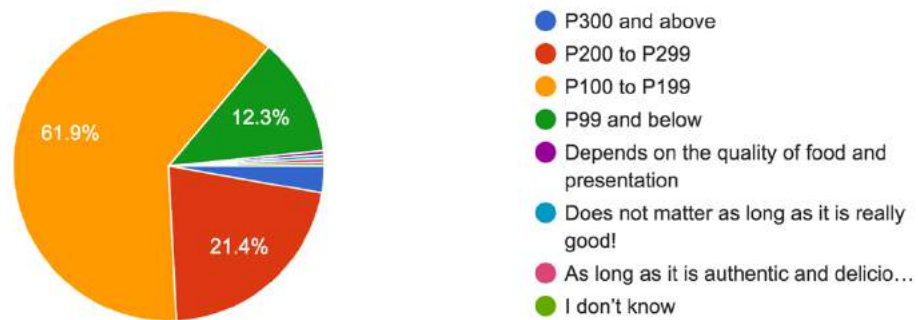
### 15. Where do you usually see food trucks in Manila?

252 responses



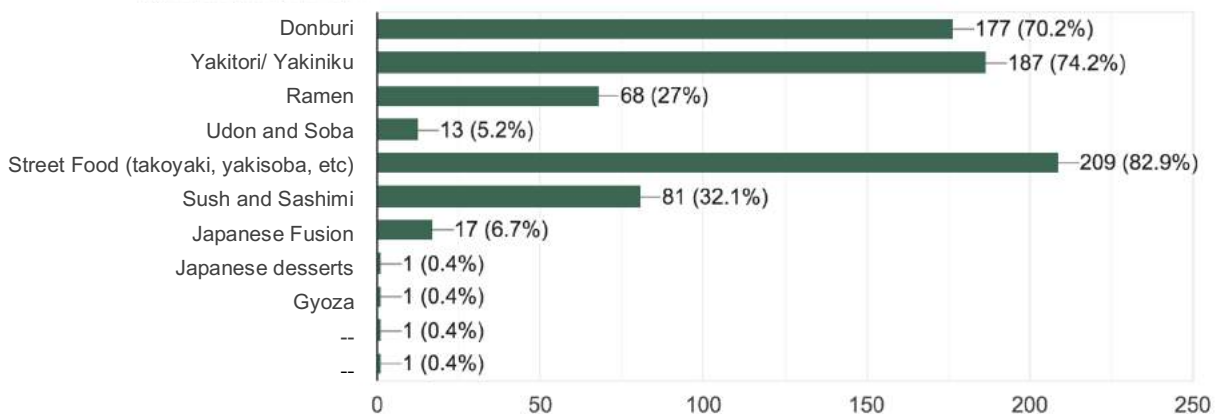
### 16. How much are you willing to pay for a meal from a food truck?

252 responses



### 17. If Japanese food is served at a food truck, which Top 3 food offering do you think will best suit this concept.

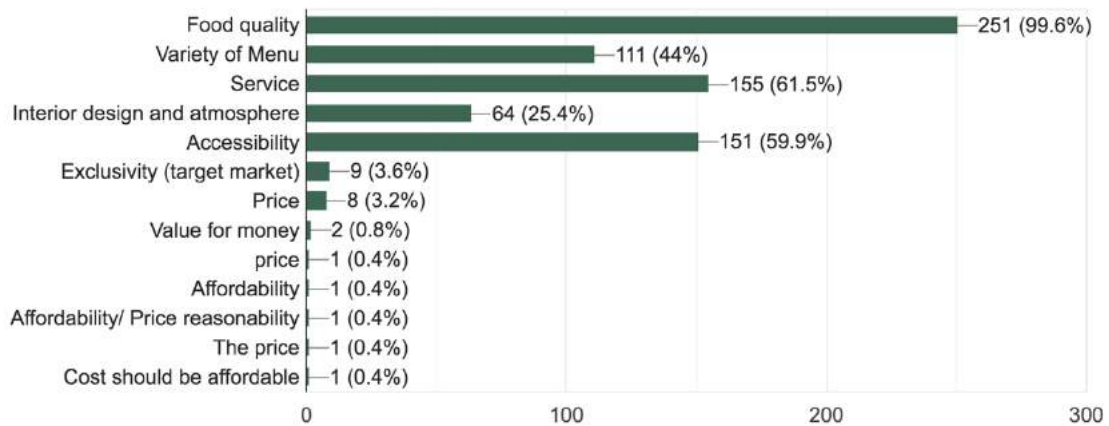
252 responses



### C. Personal Preferences

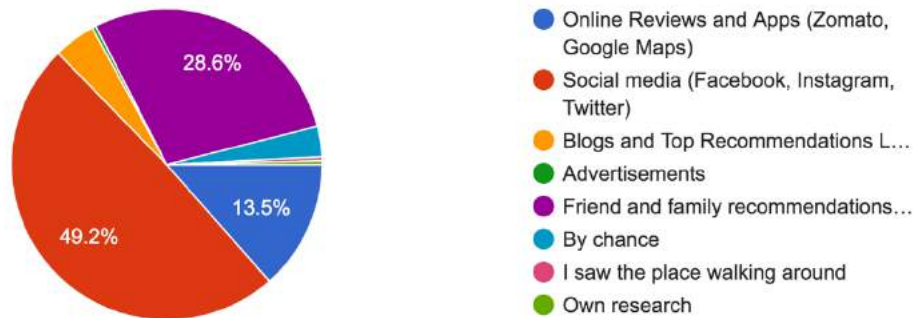
18. Please check the Top 3 factors that will make you come back to eat in a particular food establishment

252 responses



19. Where do you usually find out about new places to eat?

252 responses



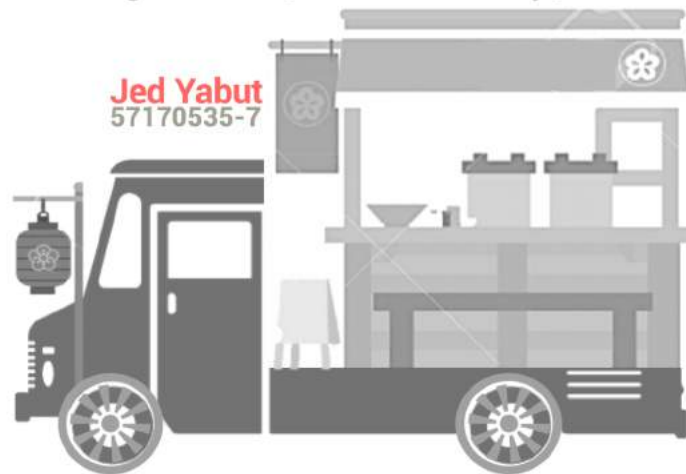
**APPENDIX 3. PRESENTATION DECK**

# GIRIGIRI

Japanese Gourmet  
"Park-and-Dock"  
Food Truck in Manila

## A Business Plan

MBA Degree Thesis | Waseda University | AY 2019



# Initial Concept

The business plan initially focused on a Japanese yatai concept serving Japanese street food to Classes B-D in vibrant areas of Manila. This serves as the “hypothesis” of the business plan.



## Theme

Japanese Yatai (日本の屋台)



## Food

Gourmet Japanese street food - fried soba, Yakitori, takoyaki, donburi, soft ice cream



## Target Market

Class B to D: office workers, students, company/ wedding events (as caterer)



## Location

Financial district of Pasig (Kapitolyo), Makati, Ortigas, or Fort Bonifacio (daytime), festivals and markets (during weekends or special nights)







# Objectives

The business' objectives target the entrepreneur's passion and hope for the Filipino food truck industry.


1 To showcase the entrepreneur's admiration and passion for Washoku and the culinary arts, and to explore "glocalization" of Washoku in Manila




2 To provide an authentic cultural experience of Japan - albeit small-scale - to Filipinos via food and ometenashi



3 To provide an entrepreneurial jumping board from a small-scale food truck to a and bigger scale platform-based food business in Manila

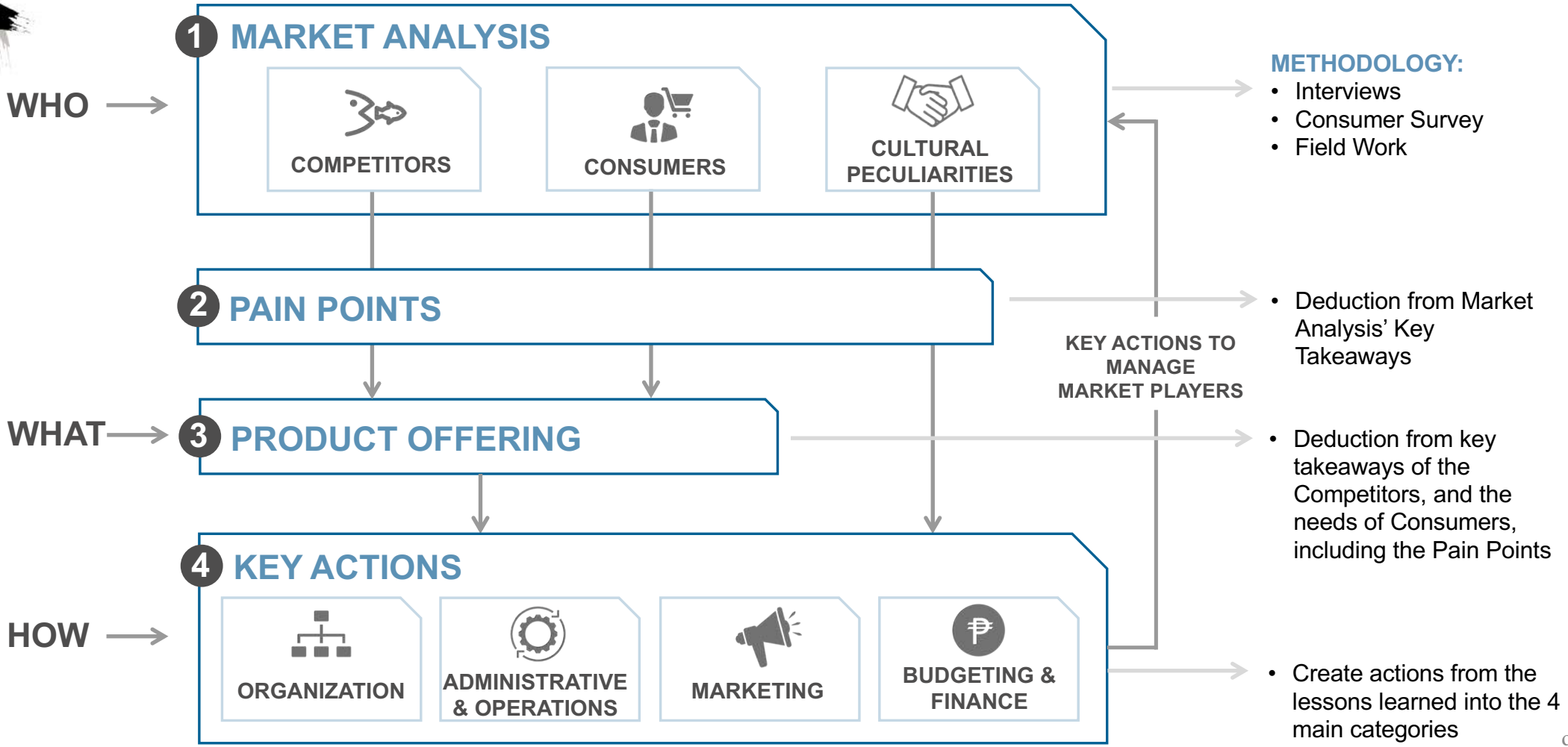


4 To be the foremost franchisable "Park-and-Dock" Japanese food truck in the Philippines



# Business Planning Framework

The framework describes the process of determining main players in the market, business pain points, what can be offered to the consumers, and the methods by which the product can successfully be launched and sustained.





# 1 Market Analysis: Interviews

Three separate interviews were performed to Filipino entrepreneurs in 3 different markets and concepts in the F&B industry.

Lyle de Leon



- President, **Philippine Mobile Food Truck Association**  
Owner, **The Soul Food Truck** and **Kuyang Food Truck**, the first franchisable food truck in the Philippines



Jacob Bautista & Celine Bautista



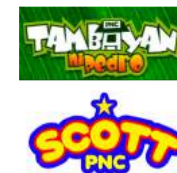
- Owners, **Asakusa: Home of Tempura**, 5 branches within Metro Manila



Lloyd Lee & Shamcey Supsup



- Owners, **Pedro 'n Coi** – a group of 14 Filipino-themed fast food and restaurants within Metro Manila





# 1 Market Analysis: Interviews

The interview questions were categorized into 4 main categories exploring the F&B markets - particularly Japanese and food truck markets - in the Philippines, through the perspective of young Filipino entrepreneurs.

## ✓ Success Factors and Strategies of Business Management

- How is the food industry in the PH? What are the barriers to entry?
- What are the success factors of food businesses in the PH?
- What makes businesses fail?
- Success rate of food businesses? Turnover rate?
- What are your Marketing strategies and how do you keep up with the celebrity-culture in the PH?

## ✓ The Struggles of an Entrepreneur

- Tell me your beginnings and what triggered you to create your own business
- What makes a good entrepreneur?

## ✓ Japanese Cuisine Preferences of Filipinos

- What are your customers' preferences with Japanese food in general?
- What is your take on authentic Japanese cuisine vs. fusion?
- What are the success factors of a Japanese restaurant in Manila?
- How do you cope with the ballooning number of Japanese restaurant competitors? What are your strategies for potential growth?

## ✓ Food truck Culture and Image in the Philippines

- What is the value of food trucks to Filipinos?
- Why do people go and eat at food trucks? When do they not go? What are the prominent Substitutes?
- What is the future of food truck in the PH? Potential growth?
- What are the challenges of food trucks in the PH?
- Competitor profiles?



# 1 Market Analysis: Interviews

Below are the main key takeaways from the interviews of the Filipino entrepreneurs.



## KEY TAKEAWAYS

The restaurants generally tweak the taste of their food to suit the Filipino palate

The menu for food trucks is generally small and is expected to be experimental

Food trucks must be designed such that it can be easily evolved to suit the circumstances, season or events

Casual dining establishments (fast-food and food courts) are the main competitors of a food truck

Social media are the main sources by which customers get to know about a food establishment

Location, location, location – remains to be one of the main key success factors

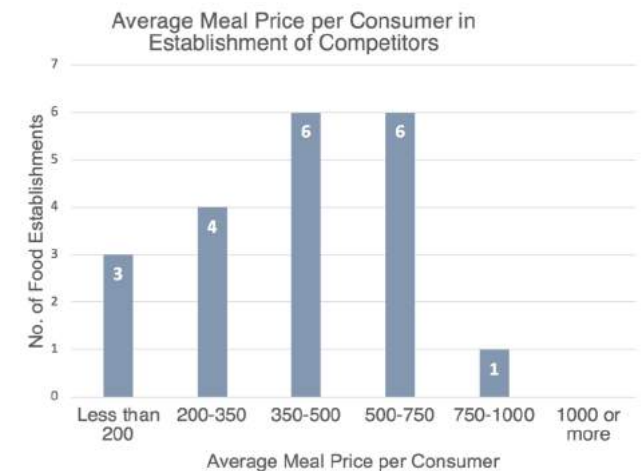
# 1 Market Analysis: Competitor Profile

Based on field work (within Pasig area only), the competitors' profiles and their respective consumers are summarized below.

Restaurant	Establishment	Food Offering	Target Market	Price Point	Opening Hours
Kaito Japanese Carinderia	Carinderia	Mixed Washoku	D-E	200-350	Lunch-Dinner
Izakaya Kikufuji	Izakaya	Mixed Washoku	B-C	500-750	Lunch-Dinner
CoCo Ichibanya	Fastfood Chain	Curry Rice	A,B,C	500-750	Lunch-Dinner
Soru Izakaya	Izakaya	Mixed Washoku	A,B,C	750-1000	Lunch-Dinner
Ramen Cool	Restaurant	Ramen	A,B,C	350-500	Lunch-Dinner
Haru Sushi Bar and Restaurant	Restaurant	Mixed Washoku	A,B,C	500-750	Lunch-Dinner
Caution Hot!	Fastfood	Ramen	C,D,E	200-350	Lunch-Dinner
Genki Sushi	Fastfood Chain	Sushi	All	350-500	Lunch-Dinner
Marufuku Japanese Restaurant	Restaurant	Mixed Washoku	All	500-750	Lunch-Dinner
Tok-yu	Restaurant	Mixed Washoku	C,D,E	200-350	Lunch-Dinner
Takashi Japanese Cuisine	Restaurant	Mixed Washoku	A,B,C	350-500	Lunch-Dinner
Katana-Ya	Izakaya	Mixed Washoku	A-B	500-750	Lunch-Dinner
Happy Niku	Izakaya	Niku and Yakitori	A,B,C	500-750	Lunch-Dinner
Ichika Japanese Grill	Restaurant	Mixed Washoku	A,B,C	350-500	Lunch-Dinner
Kanojo-Dansei Ramen House	Izakaya	Ramen	C,D,E	200-350	Lunch-Dinner
Sumo Sam	Fastfood Chain	Mixed Washoku	B-C	350-500	Lunch-Dinner
Teriyaki Boy	Fastfood Chain	Mixed Washoku	C,D,E	Less than 200	Lunch-Dinner
Mendokoro	Restaurant	Ramen	A,B,C	350-500	Lunch-Dinner
Ser Chef	Food Truck	Filipino Cuisine	B,C,D	Less than 200	Lunch-Dinner-Events
Soulfood Truck	Food Truck	Western Cuisine	B,C,D	Less than 200	Lunch-Dinner-Events

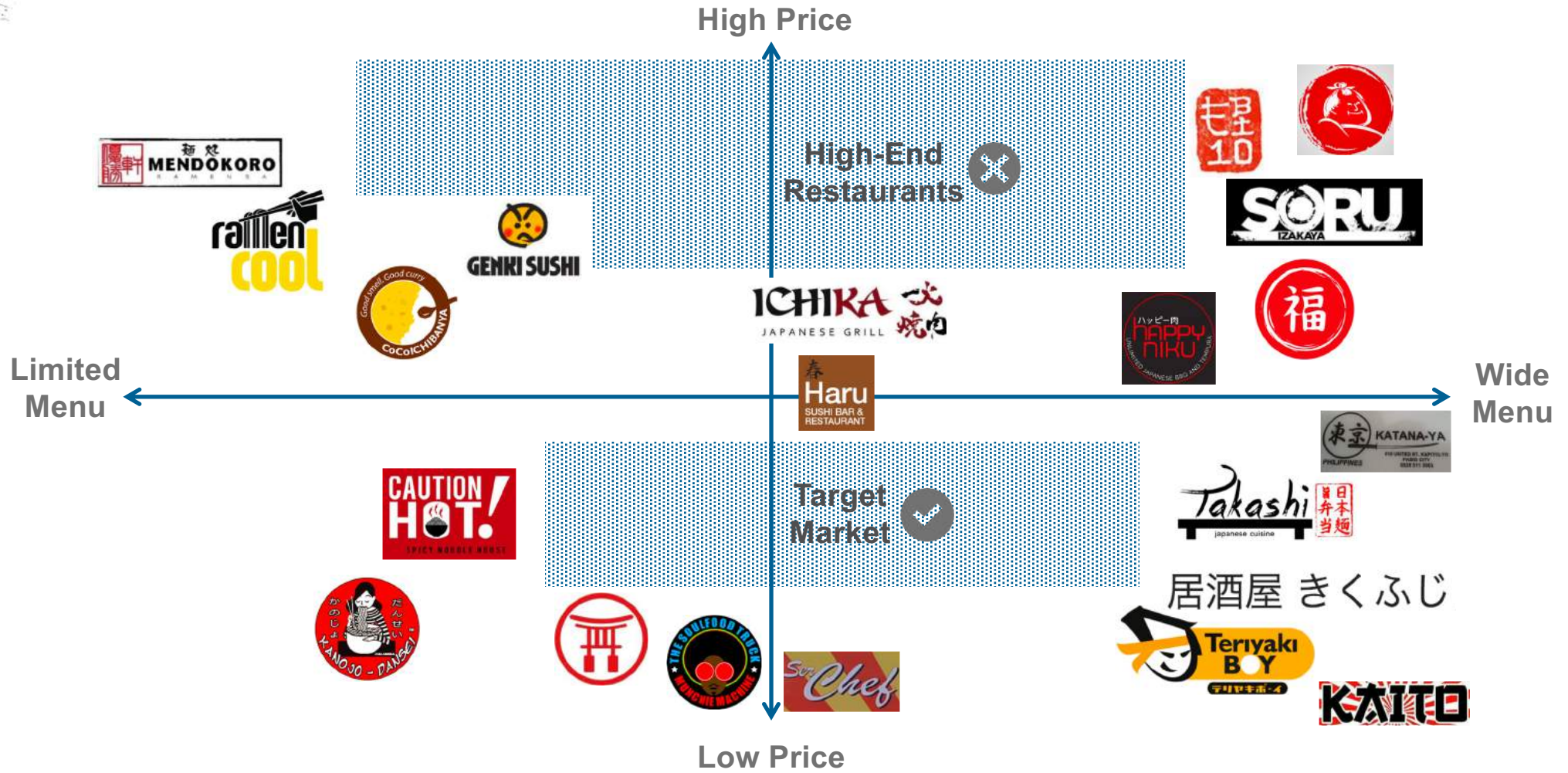
Classification of Families by Income Class, by Main Source of Income and by Region, Philippine Statistics Authority (annual household income in Pesos): <https://bit.ly/2UUGRd6>

- A - 250,000 and over
- B - 100,000 - 249,999
- C - 60,000 - 99,999
- D - 40,000 - 59,999
- E - Under 40,000



# 1 Market Analysis: Positioning Map

Based on the field work, the competitors' positioning was determined with respect to pricing and menu variety.



# 1 Market Analysis: Consumer Survey

252 Filipinos from all walks of life responded to a survey looking into 3 main categories. The questions were all derived from the takeaways in the interviews conducted with the entrepreneurs.

Market Research on Filipinos' Preferences on Japanese Cuisine - フィリピン人の和食の好みに関する市場調査

QUESTIONS RESPONSES 252

252 responses

SUMMARY INDIVIDUAL

Accepting responses

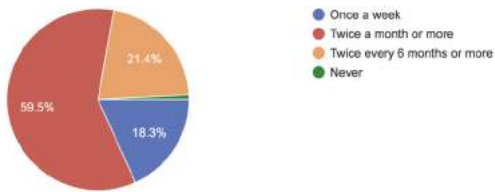
## Japanese Cuisine Preferences

## Food truck Culture in the Philippines

## Personal Preferences

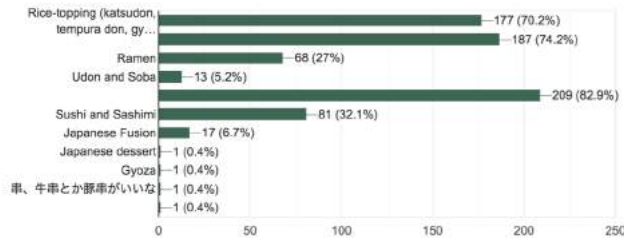
6. How often do you eat Japanese food?

252 responses



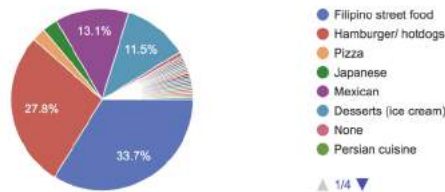
17. If Japanese food is served at a food truck, which Top 3 food offering do you think will best suit this concept.

252 responses



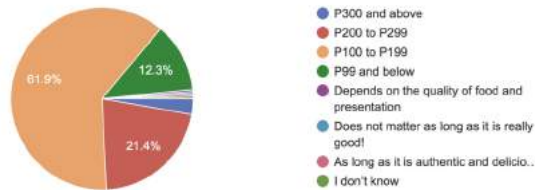
14. Which food from a food truck would you usually buy?

252 responses



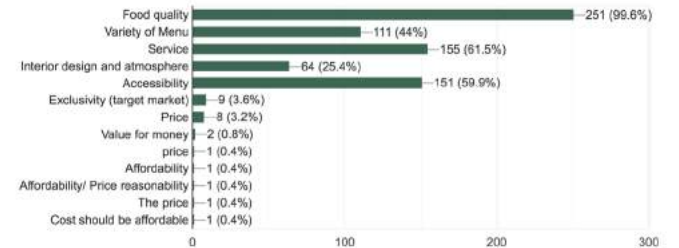
16. How much are you willing to pay for a meal from a food truck?

252 responses



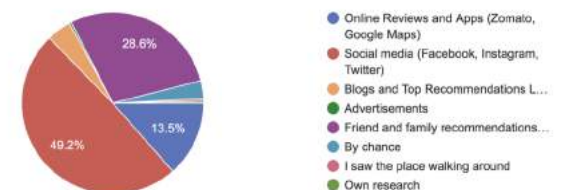
18. Please check the Top 3 factors that will make you come back to eat in a particular food establishment

252 responses



19. Where do you usually find out about new places to eat?

252 responses





# 1 Market Analysis: Target Profile

The target market can be deduced into 2 types of consumers with specific needs.

## The Curious Gen-Z Explorer

- 19 years old, single
- College student
- Loves to hang out during free time and weekends
- Checks out Instagram and Pinterest
- Has never seen and been to a Japanese food truck
- Interested to taste authentic Japanese food
- Has never been to Japan, nor conversed with a Japanese person
- Spends ₱150/meal max



**Juan**



## The Empowered and Cultured Millennial

- 27 years old, to-be-married
- Call-center office worker
- Loves going to concerts and events
- Foodie and always exploring new food establishments
- Been to Japan many times and love Japanese culture
- Loves Japanese food and always on the lookout for the best Japanese restaurants in town
- Spends ₱250/meal max



**Maribel**





# 1 Market Analysis: Consumer Survey

Below are the main key takeaways from the consumer survey results.



## KEY TAKEAWAYS

Top 3 factors that will retain customers: Food quality, Service and Accessibility

Consumers prefer Filipino street food, hamburgers/ hotdogs, desserts and Mexican food over Japanese food if buying at a food truck

56% of survey respondents consumers buy food at a food truck only twice every 6 months, and 24% said they never buy food at a food truck

44% says it is important to stay true to the authentic Japanese taste, and 12% thinks that it is necessary to adjust to the Filipino palate

Survey respondents' top 3 Japanese food that suits a food truck are Street food (takoyaki, yakisoba, etc), Yakitori and Donburi

A serving of food should cost Php100-200





# 1 Market Analysis: Cultural Peculiarities

From the experiences of the entrepreneurs, the following are the Filipino cultural and regulatory peculiarities that they have encountered in dealing with businesses



## KEY TAKEAWAYS

Being part of the Philippine Mobile Food Truck Association plays a huge part in the success of the food truck

Registration of Food Truck business is generally in a “gray zone”. Local governments (*barangays*) can’t easily give permits to park at a particular spot.

As food truck culture is still a young food culture in the Philippines, most of the profits are generated from events

As your business grows, the more the government wants to take a share from you - or worse, they will kill you

Celebrity endorsements are essential to tap into the interest of the average masses

## 2 Pain Points

As a summary, based mostly on interviews with entrepreneurs, below are the common pain points faced by entrepreneurs while managing their businesses.

### COMPETITORS

**A1** Should taste be adjusted to Filipino palate? Hire a Japanese chef?

**A2** What is a quick-fix for food truck businesses when the sales go down?

**A3** Which venues are the most exposed and accessible to consumers?

### CONSUMERS

**B1** How do you increase consumers' desire to choose Japanese food?

**B2** How do you increase the consumers' desire to buy at a food truck?

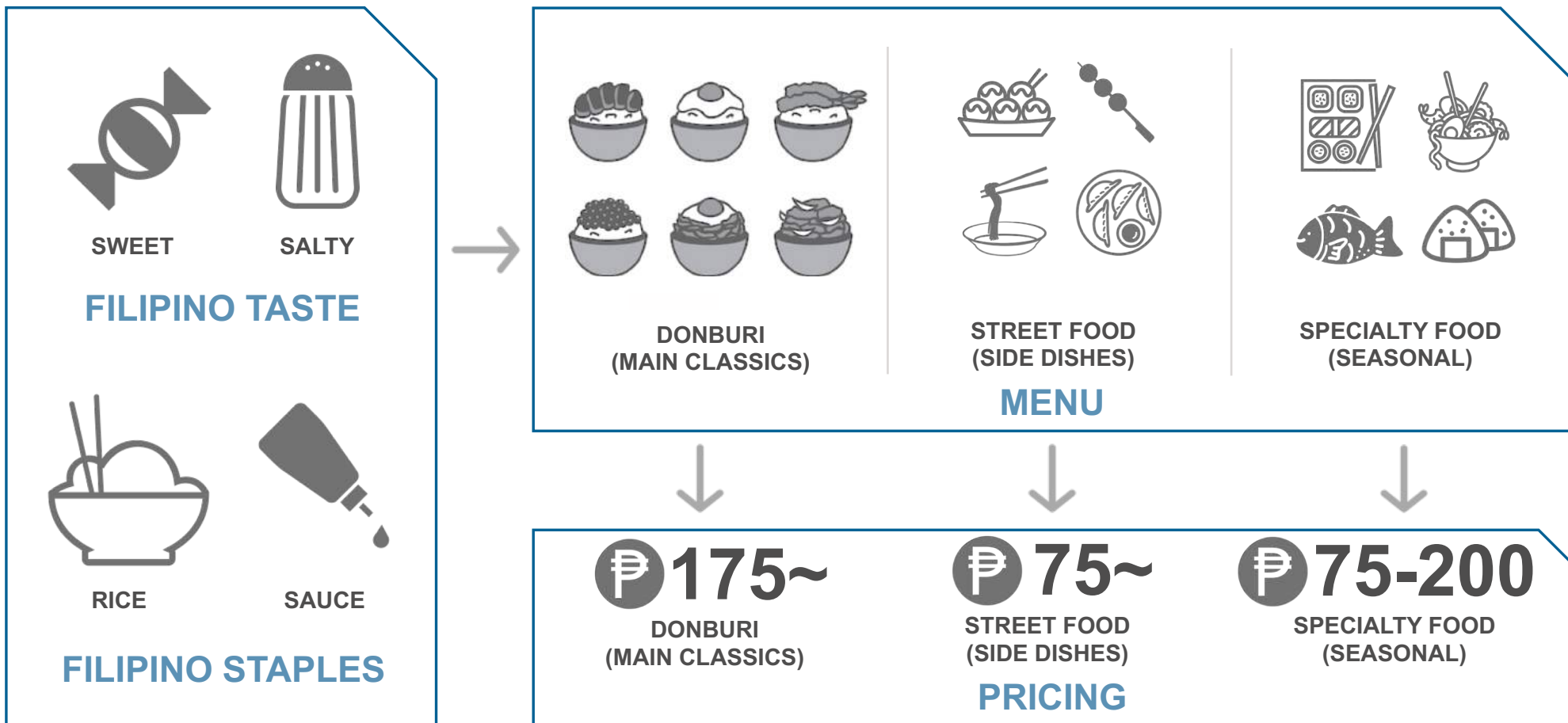
### CULTURAL PECULIARITIES

**C1** Should the new food truck join the Food Truck Association of the Philippines?

**C2** How to efficiently obtain a business permit given parking issues & ambiguous laws?

### 3 Product Offering: Menu & Pricing

From the consumer research, the preferences and purchasing power of Filipinos are almost nearly majority.



₱50 = 100円

## 4 Key Actions

Based on the key takeaways, the following key actions must be employed in different business components to ensure survival and strategic advantage.

	COMPETITOR	Organization	Administrative & Operations	Marketing	Budgeting & Finance
	1 Menu is very limited. Small menu but "everything moves" is preferred than "bigger menu but the movement is slow".		Aim to lower SKU. Select menu offering that allows for the same cooking process with minimal variations		
	2 Able to handle manpower issues (when you hire staff, you also hire their families and their worries and problems)	Ensure proper training of staff, hire experienced ones	Simplify administrative and operation systems for ease of compliance		
A1	3 <b>When you have restaurants named after, and manned by a Japanese chef, then the restaurants require taste not to be adjusted. However, for chains, the taste need to do be adjusted to the Filipino palate.</b>	<b>Hire a Japanese chef/ staff.</b> Either a chef from Japan/ Manila, or a working student in Manila who knows how to cook		Capitalize on the Japanese staff, and imitate the Japanese experience and omotenashi as pure as possible	
	4 Commissary is only used to ensure consistency of the sauces. However, for the food prep, everything is done in the kitchens		Commissary may not be required at the 1st year		
A2	5 <b>Food trucks can be easily evolved especially to suit the season or events. Simply change the stickers, design and the food offering, and you can already create a brighter and newer business</b>	Establish a creative team capable of devising and executing minute changes in the concept/ fit out as and when the profits start to decrease		<b>Evolve the food truck fit-out/ food preparation and plating</b> every now and then, especially during particular events (customization)	Aim to change fitting out only after a year so as not to disrupt cashflow within the 1st year.
	6 <b>Food trucks have experimental menu - fusion cuisines. Usually, the food truck is known for particular food offering, make it simple. Then, you have seasonal/ limited time-offer food Concept must evolve</b>			<b>Evolve the food offering</b> (side dishes at the minimum) through <b>limited time-offers or seasonal offerings, or depending on event requirements</b>	

## 4 Key Actions

Based on the key takeaways, the following key actions must be employed in different business components to ensure survival and strategic advantage.

	COMPETITOR	Organization	Administrative & Operations	Marketing	Budgeting & Finance
7	It is a must to tweak the flavor to the Filipino palate - sweet and salty	Ensure that the chef knows how to adjust food to the Filipino palate - at any given time. Special requests are to be taken.			
8	Casual dining establishments (fastfood and foodcourts) are the main competitors	Check if staff have experiences working in casual dining restaurants, so to ensure that staff are well-suited to very quick food turnovers	When learning curve plateaus and efficiency has been stabilized, search for further ways to reduce operating costs within the supply chain		
9	Few Japanese food truck due to rare and expensive ingredients. Some Japanese require food to be very fresh		Source for the right suppliers and plan out the schedule for inventory stocking		Provide some buffer for inflation in sensitivity analysis
10	<b>Social media (Facebook, Instagram) are the main sources by which customers get to know about a food establishment. Followed by word-of-mouth, then online review apps (Zomato, Google Maps)</b>	The owner shall lead the marketing activities at the 1st year. At consequent years, a 3rd party marketer or social media handler can be employed, depending on budget.		Ensure marketing campaign through Sponsored ads in <b>social media, and paid PR campaign with bloggers and social media influencers</b>	Factor some budget for launch, and successive campaigns (For bloggers and social media influencers = around Php3000/person, and Press conference, inviting newspapers and media = around Php150K without food
11	<b>Food trucks can be mostly seen in parks/ recreational areas, followed by office/ business districts, and then at concert/ event venues</b>			Besides the Park-and-Dock locations, continue to actively seek for locations for <b>weekend events and catering services</b>	

A3

# 4 Key Actions

Based on the key takeaways, the following key actions must be employed in different business components to ensure survival and strategic advantage.

	CONSUMER	Organization	Administrative & Operations	Marketing	Budgeting & Finance
	1 Top 3 factors that will retain customers: Food quality, Service and Accessibility	Employ rigid screening of staff to ensure cultural fit	Source good quality ingredients. Determine and plan the route of food truck	Plan sustainable marketing activities and PR campaigns	
B1	2 Consumers prefer Filipino street food, hamburgers/hotdogs, desserts and Mexican food over Japanese food if buying at a food truck		Simplify the value chain and food prep system to decrease overheads.	As Japanese is <b>not a popular food truck food</b> , produce strong PR and Marketing campaign pre-launch. Possibly start at soft-opening.	
B2	3 56% of survey respondents consumers buy food at a food truck only twice every 6 months, and 24% said they never buy food at a food truck		Ensure that food truck is <b>accessible</b> to the market who is able to create buzz and word-of-mouth	Ensure that food truck is <b>accessible</b> to the market who is able to create buzz and word-of-mouth	
	4 44% says it is important to stay true to the authentic Japanese taste, and 12% thinks that it is necessary to adjust to the Filipino palate. However, 83.3% will eat Japanese fusion food	Examine during soft-opening whether food is preferred to be fused with Filipino taste or to stay to the authentic Japanese taste	Examine during soft-opening whether food is preferred to be fused with Filipino taste or to stay to the authentic Japanese taste		
	5 36% of the survey respondents think that Japanese food generally taste authentic, 31.3% says no, and 32.5% is not sure as they do not know how authentic Japanese food tastes like	Examine during soft-opening whether food is preferred to be fused with Filipino taste or to stay to the authentic Japanese taste	Examine during soft-opening whether food is preferred to be fused with Filipino taste or to stay to the authentic Japanese taste		
	6 Survey respondents top 3 Japanese food that suits a food truck are Street food (takoyaki, yakisoba, etc), Yakitori and Donburi.		Create a small menu with few staples and evolving sides (seasonal or limited-time offer) to excite consumers		
	7 A serving of food should cost Php100-200			Create main dishes that are priced within Php 100-200. Then sides are to be cheaper, and seasonal offerings to be slightly expensive.	To note in relation to financial planning
	8 Filipinos prefer very flavorful dishes - more salty, more sweet. Filipino love sauce! The taste should be heightened.	Ensure that chef (either Japanese or Filipino) is aware of the Filipino preferences in food			

# 4 Key Actions

Based on the key takeaways, the following key actions must be employed in different business components to ensure survival and strategic advantage.

C1

C2

	CULTURAL PECULIARITIES	Organization	Administrative & Operations	Marketing	Budgeting & Finance
1	Being part of the association plays a huge part in the success of the food truck, simply because you immediately receive start-up assistance from the veteran entrepreneurs who are members already	Owner needs to be well-connected to the industry. Ensure that prior to launch, owner has already created a network of supporters.	Further studies should be made to decide <b>whether to join the association or not</b>		
2	Registration of Food Truck business - since there is a gray area (no categorization), local governments/ barangays can't easily give you a permit to park at a particular spot.		<b>Find a permanent parking space that can be fitted to become a garage/ driveway restaurant</b> in the evenings. The same address will be used to register the food truck.	Two locations (channels) must be chosen: firstly, a location where the food truck is parked daytimes, and a place where food truck becomes the kitchen of the permanent kitchen in the evenings.	
3	Food truck culture is still a young culture in the Philippines. Most of the food trucks generate profit mostly from events			Strengthen online presence and proactively seek Events Planning Companies to introduce the food truck	Factor some budget for business development in relation to seeking companies to partner up with, preferably after 1st year
4	If you are not successful, they will not mind you. The bigger you become, the more the government wants to take a share from you or they will kill you.	Owner must be aware how to circumvent certain pressure from the government.			Factor some bloat in case local government comes running after some unexplainable dues
5	Celebrity endorsements are essential to tap into the interest of the average masses.			For a start, social media influencers, TV appearances and features should be the marketing objective.	Factor some budget for launch, and successive campaigns (For bloggers and social media influencers = around Php3000/person, and Press conference, inviting newspapers and media = around Php150K without food

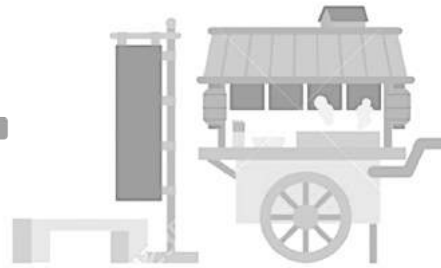
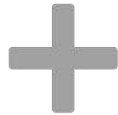


# Park-and-Dock Design

The design of the food truck is a hybrid of a common truck and a yatai.



TRUCK



YATAI 屋台

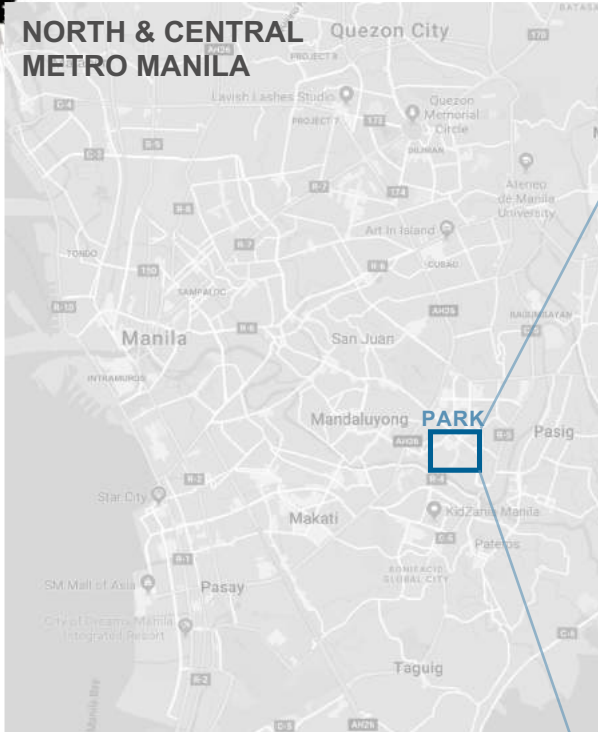


FOOD TRUCK



# Park-and-Dock

During daytime (lunch & merienda), the food truck will “park” within Capitol Commons public park in Kapitolyo serving office workers, passers by and students.



Kapitolyo is at the crossroads of four major commercial hubs: Ortigas, Makati, Fort Bonifacio, and Mandaluyong. It is a vibrant neighborhood with office, residential and food establishments. Kapitolyo is emerging as one of Metro Manila’s most vibrant and diverse food destinations.



KAPITOLYO, PASIG

## “PARK” (11:00–16:00)

### CAPITOL COMMONS PARK





# Park-and-Dock

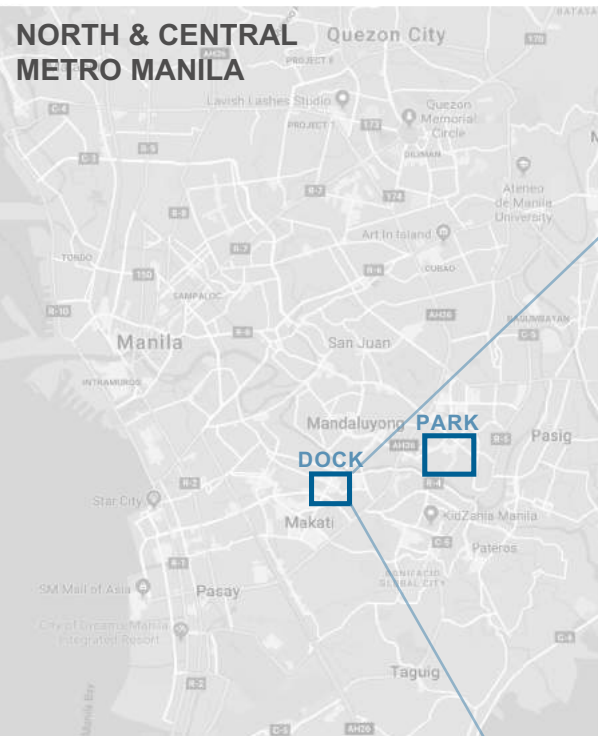
During daytime (lunch & merienda), the food truck will “park” within Capitol Commons public park in Kapitolyo serving office workers, passers by and students.

## “PARK” (11:00–16:00)

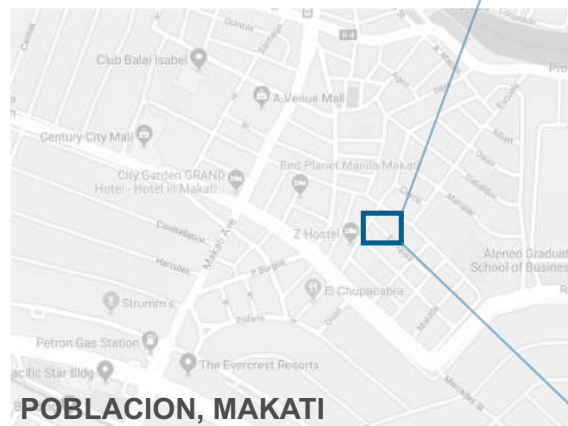


# Park-and-Dock

During evenings, the food truck will “dock” inside a neighborhood driveway that has been converted to a restaurant. The food truck serves as the kitchen of the dinner/ late night restaurant.



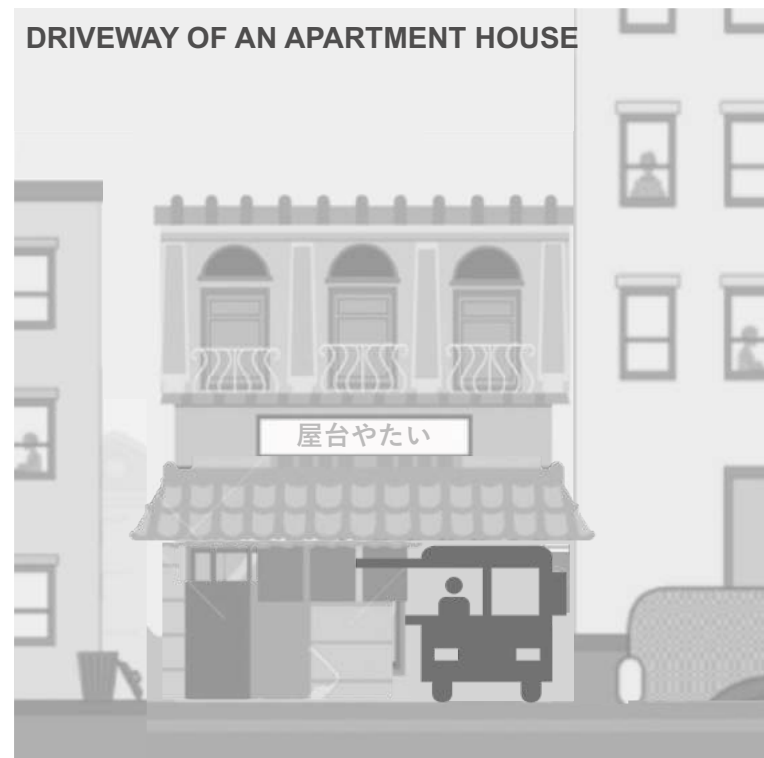
Poblacion is known as Metro Manila’s “hipster enclave” which is most alive after work where residents and outsiders flock to the many alluring hole-in-the-wall restaurants for cross-cultural culinary experiences.



**POBLACION, MAKATI**

## “DOCK” (17:30–24:00)

DRIVEWAY OF AN APARTMENT HOUSE





# Park-and-Dock

Below photos show the typical houses in Poblacion, Makati. Some families do not own cars, and therefore driveways of these houses may be unoccupied. These empty driveways are potential “Dock” areas.

## “DOCK” (17:30–24:00)





# Park-and-Dock SignPosting

To gain more exposure, physical signposts will be provided at the "Park" and "Dock" areas to show the schedule of menu offering in the coming days.

“PARK” (at 16:00)



SAMPLE SIGNPOST

**富士ソフト アキバ屋台村**

月 Monday	火 Tuesday	水 Wednesday	木 Thursday	金 Friday

—— 営業時間 ——  
**11:30 ~ 13:30**

※ 営業時間は予定です

- 交通状況などの影響で営業時間が遅れる場合がございます。
- 予告なしにお休みとなる場合がございます。
- 出店予約・メニューは変更になる場合がございます。
- みみずまの注文を受けてからのお届けとなります。
- そのため遅延のおおきいお時間にお出しできるまで長めにお時間をいただきます。

富士ソフトビル1Fでは  
ご覧の店舗も営業中です

〒160-0002 東京都千代田区千代田 富士ソフトビル1F  
電話 03 (3737) 3000 メール nso@wintkydn.com

中野 FamilyMart 天竺 房総東



# Park-and-Dock

The “Park-and-Dock” was chosen as a business model as it maximizes 3 aspects of the business.



Maximize  
**Assets**

The food truck will be open on both daytimes and evenings



Maximize  
**Exposure**

Having different locations of parking, and having the food truck ply through busy roads, will increase exposure and recall to consumers

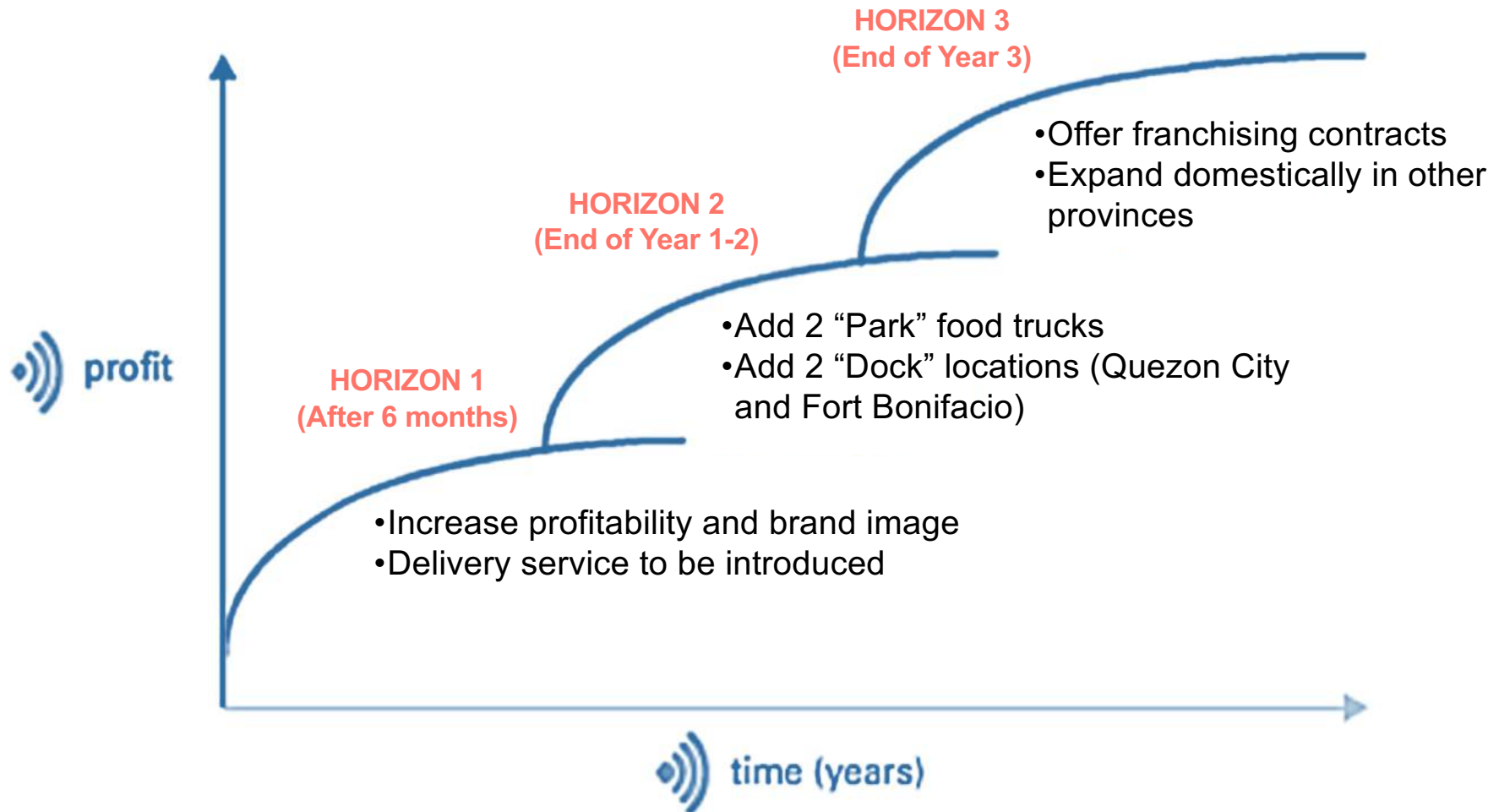


Maximize  
**Unused Spaces**

Unused driveway parking spaces in Manila residences will be leased to be turned into a minimalist pop-up casual “Dock” restaurant

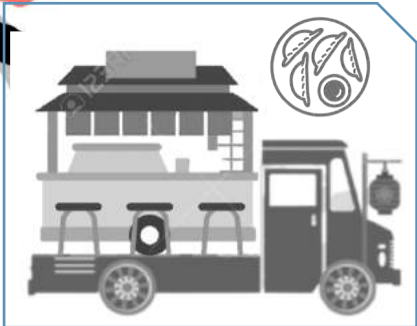
# Horizons of Growth

As the profit grows with time, the “Park-and-Dock” will grow in scale, and the complexity of the business model will reveal itself.

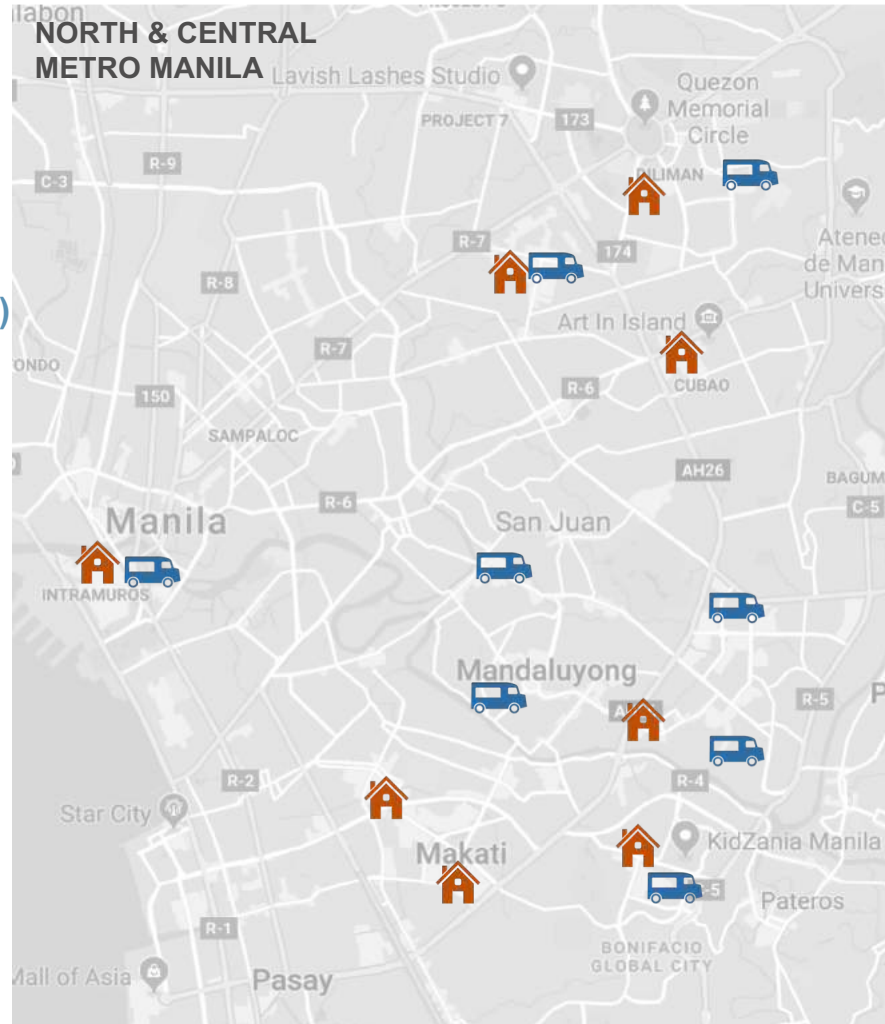
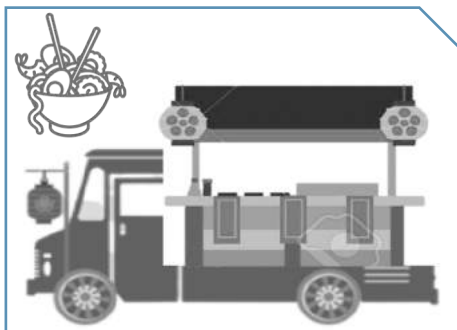


# Park-and-Dock Mix & Match

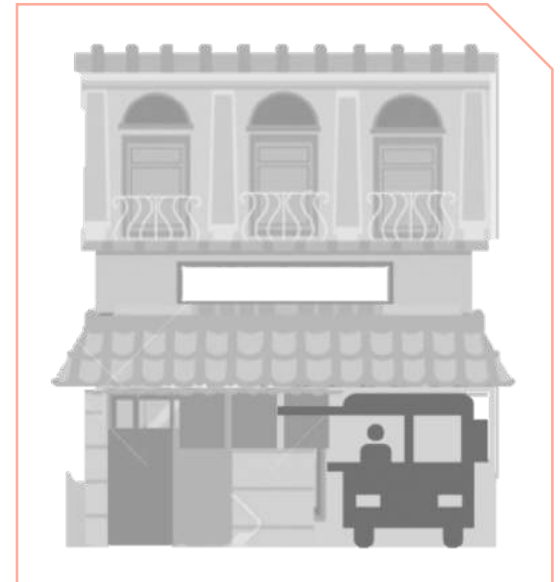
After Year 1, 2 food trucks and 2 “Docks” will be added to enable scale and mixing-and-matching to strengthen differentiation.



**“PARK”**  
(11:00–16:00)



**“DOCK”**  
(17:30–24:00)

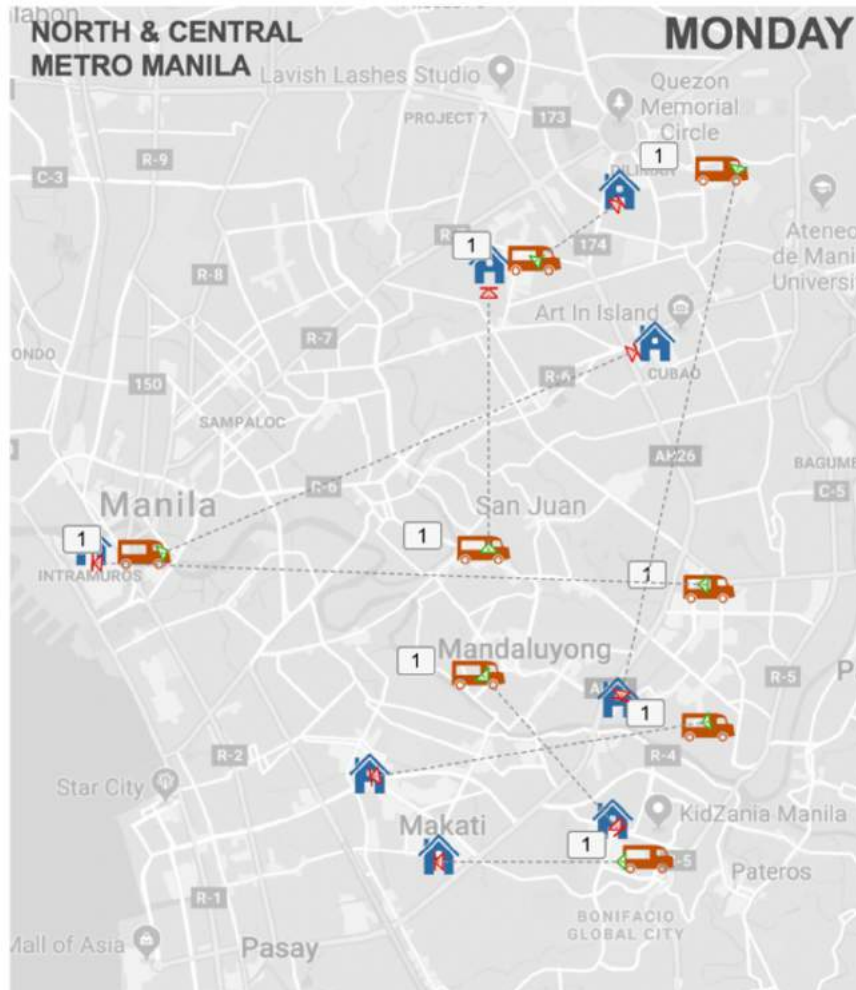




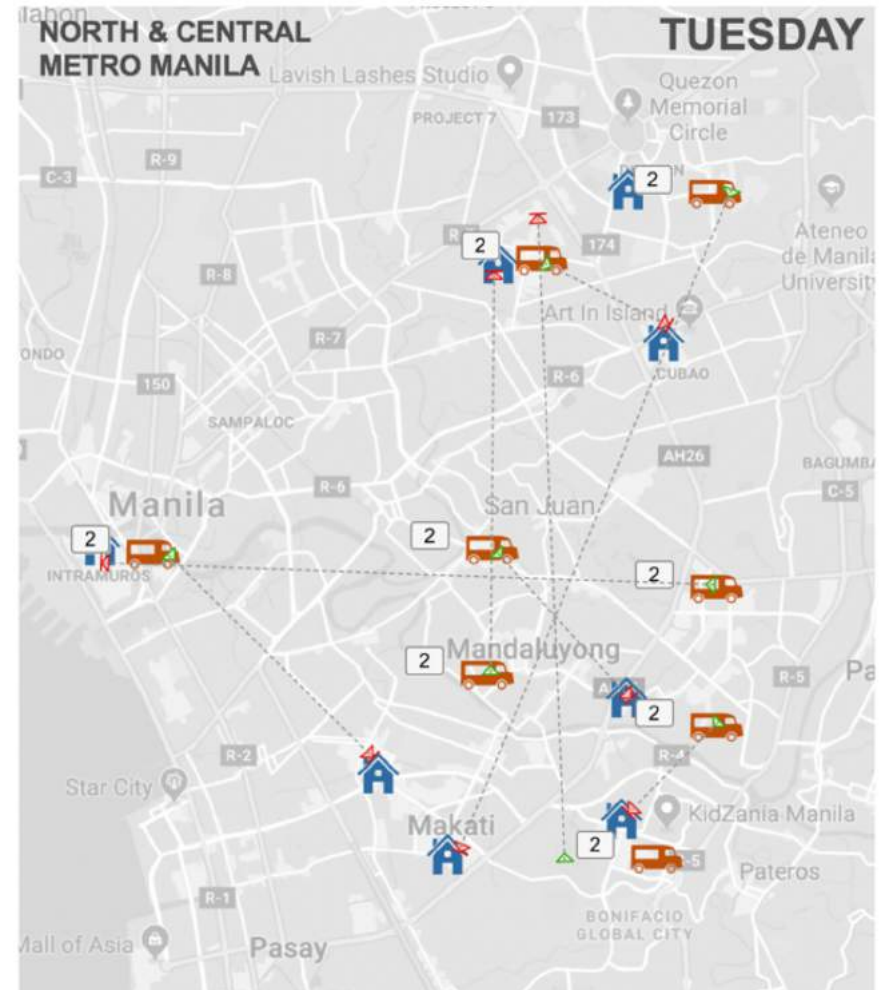


# Park-and-Dock Mix & Match

Below figure shows an example as to how the dock locations change every night to bring different food offerings to consumers.



Dock Locations change every day  
→



# Financials

## Start-up Costs & Sales Forecast

Start-up costs is at ₱1.25M.  
Annual net sales forecast is at ₱8.9M.

### Initial Investment Plan

	Amount	Type
<b>Equipment and Other Assets (Truck)</b>		
Food Inventory (One Week)	70,000.00	Inventory
Truck	500,000.00	Equipment
Cooking tools (pots, pans, laddles)	6,000.00	Supplies
Prep tools (knives, cutting board)	6,000.00	Supplies
Storage containers	5,000.00	Supplies
Hood	15,000.00	Equipment
Heater	17,500.00	Equipment
Fridge	15,000.00	Equipment
Microwave	5,000.00	Equipment
Wash Bin	10,500.00	Equipment
Takoyaki pan	3,000.00	Equipment
Deep fryer	3,000.00	Equipment
Blender	2,000.00	Equipment
Drinks machine	8,000.00	Equipment
Fixtures (Japanese decors)	30,000.00	Equipment
Water tank (2/200 L)	25,000.00	Equipment
POS system	80,000.00	Equipment
Security system	50,000.00	Equipment
Provisional Sum	20,000.00	Equipment
<b>Total</b>	<b>871,000.00</b>	
<b>Equipment and Other Assets (Dock)</b>		
Furniture (table, chairs, shelves)	50,000.00	Equipment
Fixtures	100,000.00	Equipment
<b>Total</b>	<b>150,000.00</b>	
<b>Fixed Costs</b>		
Business Permits and Licenses	50,000.00	Expense
Insurance Fees	60,000.00	Expense
Security Deposit (Rent)	80,000.00	Asset
Marketing Expenses	40,000.00	Expense
<b>Total</b>	<b>230,000.00</b>	
<b>Total Initial Investment</b>	<b>1,251,000.00</b>	

### Sales Forecast

#### Daily, Weekly and Monthly for Year 1

	Customers	Avg Purchase	Sales	Monthly
<b>Monday Daily Total</b>				
Lunch	70	165.00	11,550.00	
Merienda	40	50.00	2,000.00	
Dinner	45	300.00	13,500.00	
			<b>27,050.00</b>	<b>108,200.00</b>
<b>Tuesday Daily Total</b>				
Lunch	65	165.00	10,725.00	
Merienda	30	50.00	1,500.00	
Dinner	45	300.00	13,500.00	
			<b>25,725.00</b>	<b>102,900.00</b>
<b>Wednesday Daily Total</b>				
Lunch	65	165.00	10,725.00	
Merienda	30	50.00	1,500.00	
Dinner	50	300.00	15,000.00	
			<b>27,225.00</b>	<b>108,900.00</b>
<b>Thursday Daily Total</b>				
Lunch	70	165.00	11,550.00	
Merienda	40	50.00	2,000.00	
Dinner	60	300.00	18,000.00	
			<b>31,550.00</b>	<b>126,200.00</b>
<b>Friday Daily Total</b>				
Lunch	75	165.00	12,375.00	
Merienda	55	50.00	2,750.00	
Dinner	70	300.00	21,000.00	
			<b>36,125.00</b>	<b>144,500.00</b>
<b>Saturday Daily Total</b>				
Whole Day	80	300.00	24,000.00	
			<b>24,000.00</b>	<b>96,000.00</b>
<b>Weekend Event 1</b>				
	90	150.00	13,500.00	
<b>Weekend Event 2</b>				
	90	150.00	13,500.00	
			<b>27,000.00</b>	<b>54,000.00</b>
<b>Weekly Sales</b>				
	1,070	165.00	<b>198,675.00</b>	
<b>Monthly Sales</b>				
				<b>740,700.00</b>
<b>Annual Sales</b>				
				<b>8,888,400.00</b>
<b>Average Buy per Person</b>				
				<b>173.06</b>



# Financials 1-Year P&L

Using sensitivity analysis, sales at 44% and below will incur loss. Also, payback period of 16 months, at 70% sales is borderline acceptable of sales.

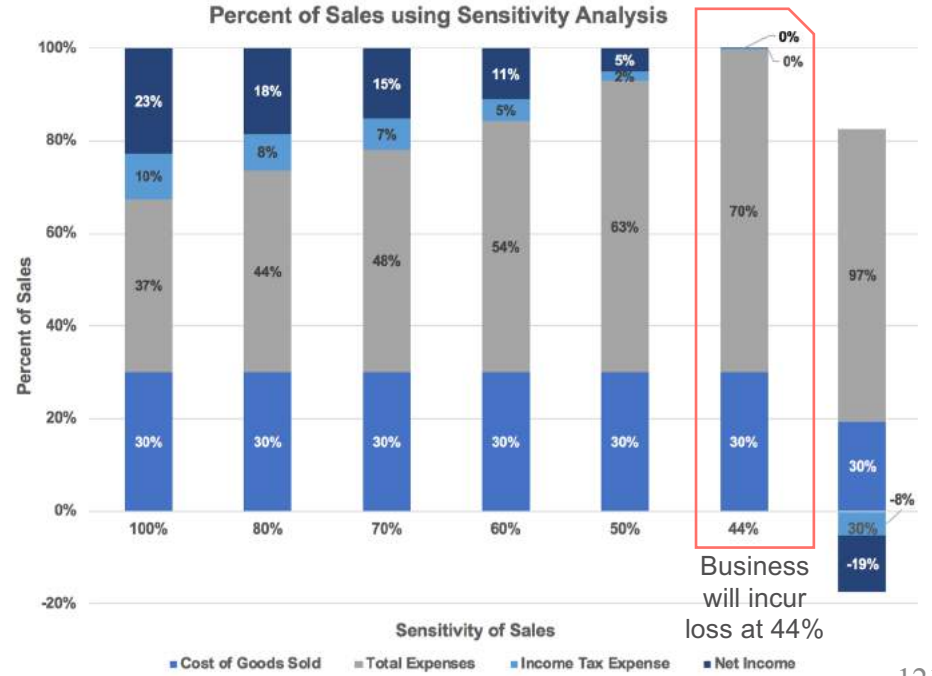
### Income Statement Sensitivity Analysis

1-Year Period	100%	80%	70%	60%	50%	44%	30%
<b>Year</b>							
Annual Sales	8,888,400.00	7,110,720.00	6,221,880.00	5,333,040.00	4,444,200.00	3,910,896.00	2,666,520.00
Cost of Goods Sold	2,666,520.00	2,133,216.00	1,866,564.00	1,599,912.00	1,333,260.00	1,173,268.80	799,956.00
<b>Gross Profit</b>	<b>6,221,880.00</b>	<b>4,977,504.00</b>	<b>4,355,316.00</b>	<b>3,733,128.00</b>	<b>3,110,940.00</b>	<b>2,737,627.20</b>	<b>1,866,564.00</b>
<b>Expenses</b>							
Business Permit	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00
Insurance	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00
Salaries Expense	1,056,000.00	1,056,000.00	1,056,000.00	1,056,000.00	1,056,000.00	1,056,000.00	1,056,000.00
Rent	780,000.00	780,000.00	780,000.00	780,000.00	780,000.00	780,000.00	780,000.00
Water	96,000.00	76,800.00	67,200.00	57,600.00	48,000.00	42,240.00	28,800.00
Electricity	120,000.00	96,000.00	84,000.00	72,000.00	60,000.00	52,800.00	36,000.00
LPG Expense	360,000.00	288,000.00	252,000.00	216,000.00	180,000.00	158,400.00	108,000.00
Supplies	240,000.00	192,000.00	168,000.00	144,000.00	120,000.00	105,600.00	72,000.00
Transportation/Logistics	216,000.00	172,800.00	151,200.00	129,600.00	108,000.00	95,040.00	64,800.00
Depreciation Expense	233,500.00	233,500.00	233,500.00	233,500.00	233,500.00	233,500.00	233,500.00
Marketing Expense	96,000.00	96,000.00	96,000.00	96,000.00	96,000.00	96,000.00	96,000.00
Amortization Expense	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>3,331,500.00</b>	<b>3,101,100.00</b>	<b>2,997,900.00</b>	<b>2,894,700.00</b>	<b>2,791,500.00</b>	<b>2,729,580.00</b>	<b>2,585,100.00</b>
Net Income Before Tax	2,890,380.00	1,876,404.00	1,357,416.00	838,428.00	319,440.00	8,047.20	- 718,536.00
Income Tax Expense	867,114.00	562,921.20	407,224.80	251,528.40	95,832.00	2,414.16	- 215,560.80
<b>Net Income</b>	<b>2,023,266.00</b>	<b>1,313,482.80</b>	<b>950,191.20</b>	<b>586,899.60</b>	<b>223,608.00</b>	<b>5,633.04</b>	<b>- 502,975.20</b>
<b>Average Monthly Income</b>	<b>168,605.50</b>	<b>109,456.90</b>	<b>79,182.60</b>	<b>48,908.30</b>	<b>18,634.00</b>	<b>469.42</b>	<b>- 13,971.53</b>
<b>Investment</b>	<b>1,251,000.00</b>	<b>1,251,000.00</b>	<b>1,251,000.00</b>	<b>1,251,000.00</b>	<b>1,251,000.00</b>	<b>1,251,000.00</b>	<b>1,251,000.00</b>
<b>Payback Period (months)</b>	<b>7.42</b>	<b>11.43</b>	<b>15.80</b>	<b>25.58</b>	<b>67.14</b>	<b>2,664.99</b>	<b>89.54</b>

↑  
Acceptable  
payback period is  
16 months or less

In Sales Value	100%	80%	70%	60%	50%	44%	30%
Sensitivity							
Cost of Goods Sold	2,666,520.00	2,133,216.00	1,866,564.00	1,599,912.00	1,333,260.00	1,173,268.80	799,956.00
Total Expenses	3,331,500.00	3,101,100.00	2,997,900.00	2,894,700.00	2,791,500.00	2,729,580.00	2,585,100.00
Income Tax Expense	867,114.00	562,921.20	407,224.80	251,528.40	95,832.00	2,414.16	- 215,560.80
Net Income	2,023,266.00	1,313,482.80	950,191.20	586,899.60	223,608.00	5,633.04	- 502,975.20

In Percent of Sales	100%	80%	70%	60%	50%	44%	30%
Sensitivity							
Cost of Goods Sold	30%	30%	30%	30%	30%	30%	30%
Total Expenses	37%	44%	48%	54%	63%	70%	97%
Income Tax Expense	10%	8%	7%	5%	2%	0%	-8%
Net Income	23%	18%	15%	11%	5%	0%	-19%



# Financials Break-even Analysis

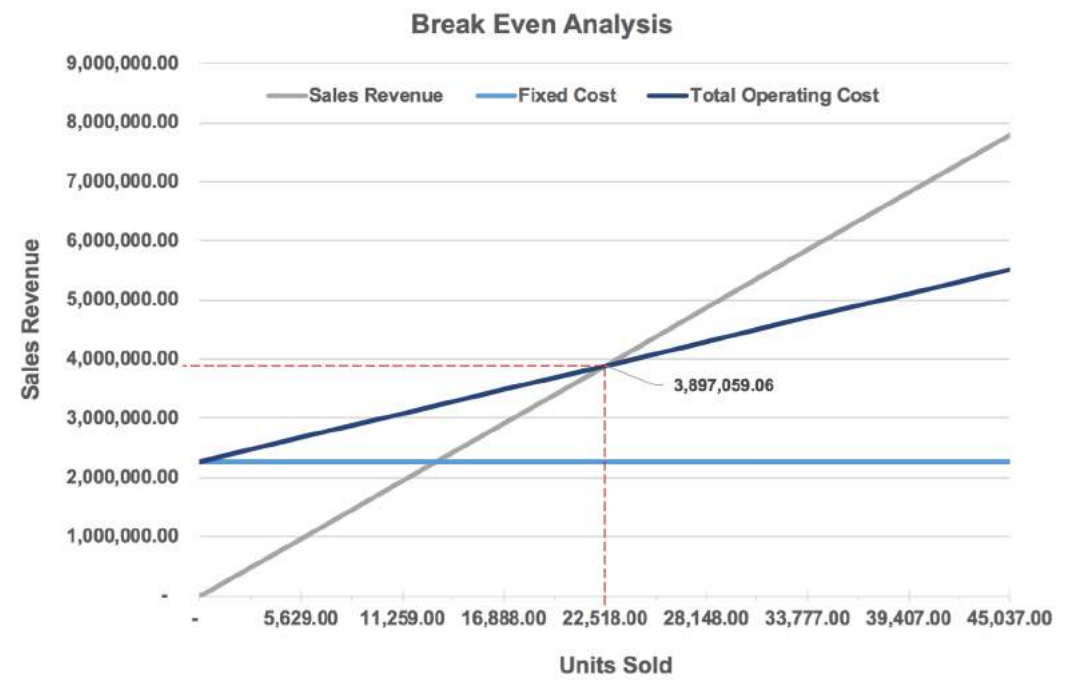
Break even point was calculated at sales of 22,519 units (₱173.06/ unit). Break even units as a % of sales requires to be 44% or above. Otherwise the business will start to incur losses.

## Break Even Analysis

Total Fixed Cost	2,275,500.00
Total Variable Cost Per Sale	72.01
Sale Price Per Unit	173.06
Anticipated Unit Sales	51,360.00
<b>Break Even Point (units)</b>	<b>22,519.00</b>
<b>Break Even Point (PHP)</b>	<b>3,897,154.98</b>

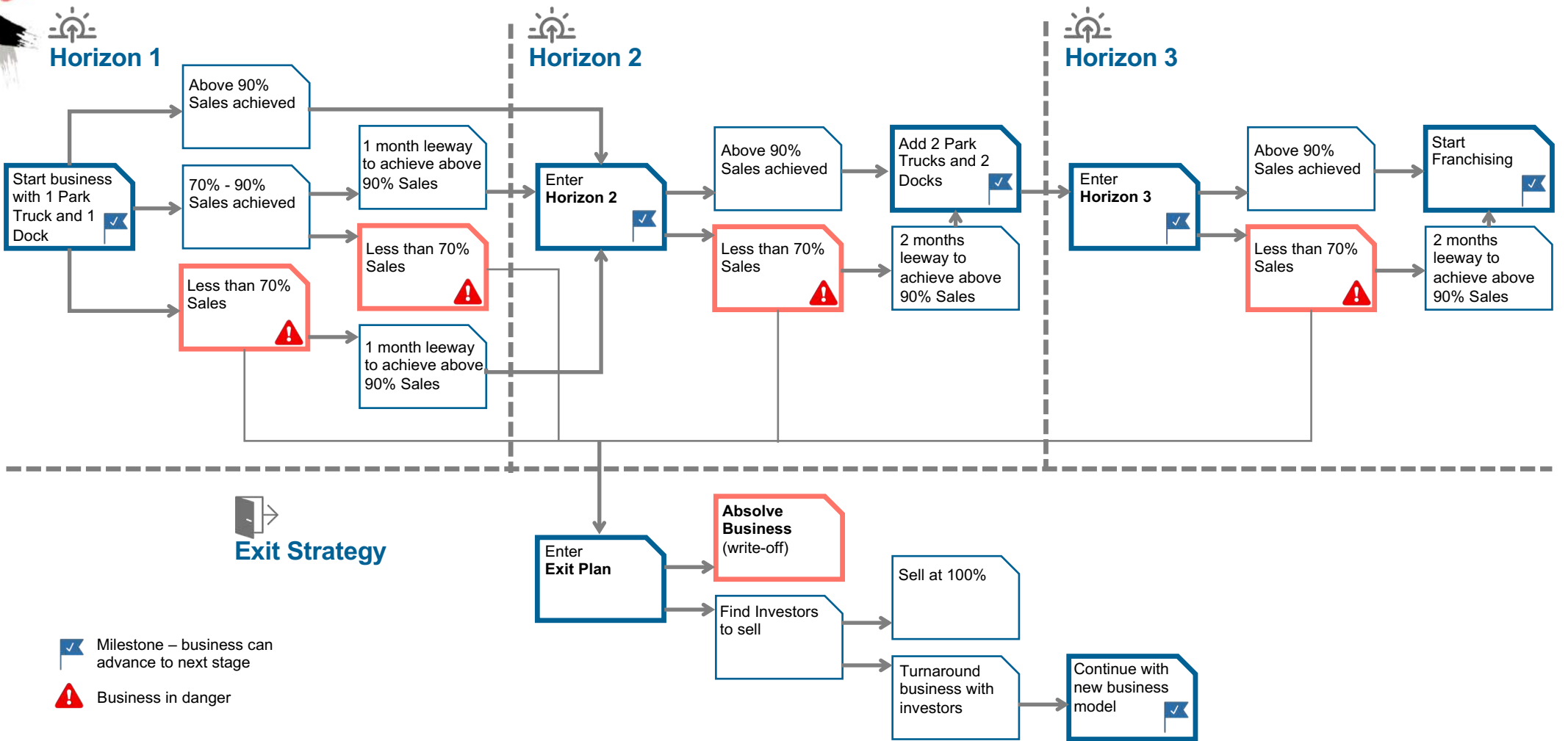
**BE units as a % of sales** **44%** If 44% of anticipated sales is achieved, the business will not incur losses. Below 44%, the business will be at a loss. Above 44%, profits will be earned.

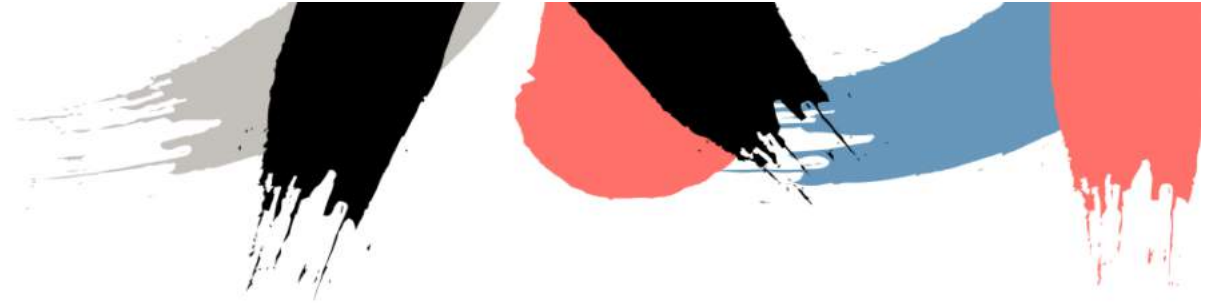
Units Sold	Sales Revenue	Variable Cost	Fixed Cost	Profit/Loss
-	-	-	2,275,500.00	- 2,275,500.00
5,629.00	974,158.95	405,353.76	2,275,500.00	- 1,706,694.81
11,259.00	1,948,490.96	810,779.53	2,275,500.00	- 1,137,788.57
16,888.00	2,922,649.91	1,216,133.29	2,275,500.00	- 568,983.38
22,518.00	3,896,981.92	1,621,559.06	2,275,500.00	- 77.14
28,148.00	4,871,313.93	2,026,984.83	2,275,500.00	568,829.09
33,777.00	5,845,472.87	2,432,338.59	2,275,500.00	1,137,634.28
39,407.00	6,819,804.88	2,837,764.36	2,275,500.00	1,706,540.52
45,037.00	7,794,136.89	3,243,190.13	2,275,500.00	2,275,446.76



# Decision Gateway

The Owner will use this decision gateway in taking major company decisions. Achieving certain sales target is the only variable by which major decisions are to be made.





Thank You!

**GIRIGIRI**

ありがとう  
ございます