

“Street-Smart” Catering

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Having spent some years in restaurant operations and off-premise catering, I learned that the most profitable parts of food and beverage in the hospitality industry are those operations that were most controllable. Banquets in hotels and on-premise catering tend to offer the widest profit margins. This is due to knowing ahead of time who is walking through the door and how much they will be spending. Two of my culinary students recently mentioned that they were both purchasing catering trucks and starting new businesses in the Redding area. For some reason, I initially related catering truck with a catering business, (in a free-standing building) which is not the same thing. With a catering truck, you have some control over who will be walking through the door, but not always. So I began my research on the growing trend of catering trucks in the hospitality industry. Why would one want to own or operate a catering truck? Where would one do business? How profitable is a catering truck? What type of menu or cuisines can be offered from a mobile kitchen? Are there safety and sanitation issues with catering trucks?

The main reason my students wanted to own and operate a catering truck is the desire to be their own boss. They each wanted to set their own hours and location of employment. Their entrepreneurial spirit was alive and well. My students informed me that they could purchase a used truck in good condition for as little as \$10,000. Typical stopping points for catering or vending trucks would include business air parks, factories, parks, and sporting events. Further investigation revealed that you could have your own vehicle strictly for catering to large groups or one could establish a route that starts about 6 am and finishes about 3 pm through business areas that might be low on nearby food establishments. The trend for catering trucks in the current economy has been increasing due to perceived pricing value and convenience. The popularity of “quick and cheap” falls into this concept. From the students’ perspective it is less expensive to start a business in the mobile catering industry than purchasing a “brick and mortar” restaurant. What are the differences? Eliminate the huge staffing, furnishings, utility costs, and mass equipment investments with the food truck. Reduce the employee liability, operating costs and payroll challenges. This all sounds like a restaurant owner’s dream...or is it really?

Some of the challenges with a catering truck that come to my mind are competition for the same business area, weather, maintaining food quality with a limited kitchen and offering the right type of food to your target market. In terms of competition, there are a few potential foes, fellow food truckers and also fixed food venues such as restaurants and schools. All of these might present a problem. For example, a school might not welcome a catering truck sitting across the street during lunch hour since it may compete with the lunch offered at the school and also may not offer a balanced menu. Although students can make their own choices on what to eat, it still represents competition for institutional food service especially if the school food does not meet the interest of the students. See <http://www.sfschools.org/2007/02/catering-trucks-why-theyre-problem.html>. With respect to competing with restaurants, there appears to be two separate markets, those that want inexpensive food fast and diners that want full service in a relaxing interior environment. Overpricing at a restaurant might be a reason

to seek out the food truck. If you want to cater the office party on the back parking lot of a business you could always call on Susan Feniger and Mary Sue Milliken's Border Grill Taco Truck in the LA area.

"The place where it starts to compete with restaurants is in the catering world, because when we do a party now, we often try to push it to our taco truck. It makes a big, strong statement, and it's cool and hip. And the mess stays out of someone's house." http://www.rimag.com/article/441070-Are_Food_Trucks_a_Threat_to_Restaurants_.php

Also see http://www.bordergrill.com/bg_t/bg_twel.htm.

Profitability depends on the competition, and the state and city regulations. Los Angeles has rule that mobile trucks not be parked at the same location for more than 30 minutes to ease traffic

http://findarticles.com/p/articles/mi_m3190/is_17_42/ai_n25400804/.

New York City requires a Mobile Food License and a Mobile food Vending Unit Permit. Licensing is limited. No matter what your location, the local health department will want to inspect your operation. See

http://newyork.grubstreet.com/2009/08/users_guide_how_to_start_your.html

In terms of sanitation, food-catering trucks (many found in blue-collar working districts) have been nicknamed "roach coaches" for many years due some of their failures to be properly inspected and carry current health department certification. For the fiscal 2008 year, 27% of the food mobile caterers that were inspected in Los Angeles County were closed due to operating with a "severe or high risk health code violation." Many vendors did not have permits to operate which, to the average consumer, is not common knowledge.

[.http://www.streetdirectory.com/food_editorials/meals/food/inherent_dangers_of_catering_trucks_and_street_vendors.html](http://www.streetdirectory.com/food_editorials/meals/food/inherent_dangers_of_catering_trucks_and_street_vendors.html).

On a final note, not all mobile caterers are unsanitary, nor do they serve unhealthy food. I have listed some resources and sites of successful operations for those interested in exploring. LA and New York have some great venues and resources.

<http://ezinearticles.com/?Mobile-Catering-Business-Tips-And-Facts&id=824527>

<http://www.vendingtrucks.com/>

http://www.ehow.com/how_2045211_buy-catering-truck.html

<http://www.gq.com/food-travel/restaurants-and-bars/200908/best-food-trucks-van-leeuwen-new-york-seattle-los-angeles-slideshow#slide=1>

<http://kogibbq.com/about/>

<http://www.findlafoodtrucks.com/index.php>

<http://www.seriousseats.com/2009/05/a-list-of-street-food-vendors-trucks-carts-using-twitter.html>