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EXPLORING THE VENTURE OF A FOOD TRUCK:

DETERMINING THE PROCESS AND VIABILITY OF OPENING

A MOBILE RESTAURANT

An Action Learning Handbook in Fulfillment of

the Master of Business Administration from Point Loma Nazarene University

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For my parents

to whom I owe everything

Steph and Jeff

for granting me this subject

Family and friends

for pushing and cheering me on

Professional and academic mentors

for their lessons in business and life

My dogs

because I did this for you

To Tim

for all you've been for me

And to God

for the faith and purpose to finish

APPROVAL

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SUMMARY

In Chapter One, the topic of the Action Learning Handbook is introduced and the stage is set for the mobile restaurant venture. The potential SD Soup Truck by the SD Soup Shoppe is presented after a background on the original restaurant is provided, along with an in-depth environmental analysis of the conditions the SD Soup Shoppe could enter into for the food truck venture.

Evidence in support of the food truck venture was tracked down to not only demonstrate the viability of the undertaking, but to also offer ways in which the venture can remain a thriving one. Information from ten scholarly articles and knowledge from two former MBA colleagues were gathered and analyzed, these writings making the script of Chapter Two for SD Soup Shoppe to use and benefit from.

While the action of the food truck venture has not taken place, Chapter Three explores the process of starting a food truck as if it were actually being carried out – the aspects going into, their associated costs, and resulting projected profits. To conclude, reflections of the entire project, as well as the MBA as a whole, were made to sum up the pursuit of the degree and its everlasting effects on the author.

CHAPTER ONE

HISTORY OF THE ORGANIZATION

In December 2010, Jeff Shinn and Stephanie Flores started a small food and catering business called OB Bread Company. The business operated primarily out of the Ocean Beach Farmers Market and also conducted catering services at on-site client locations. OB Bread Co. experienced some time of success, and after much inquiries and encouragement, owners Shinn and Flores decided to turn their farmers market and catering operation into a brick and mortar restaurant. In October 2012, SD Soup Shoppe opened its doors in the North Park area and quickly garnered the reputation of being a vibrant neighborhood eatery, specializing in gourmet soups and panini sandwiches.



Now over two years after its opening, SD Soup Shoppe has flourished to

become a local favorite, with followers not only loving their food, but also singing its praises. The restaurant has been awarded Critic's Pick: Best Sandwich 2013 by San Diego Magazine, was #14 on the Coolest Bars and Restaurants in Town list by Thrillist.com, and has garnered the attention of Zagat Survey.



When the weather falls below 65 degrees, San Diegans everywhere know it's time to bundle up. But San Diego Soup Shoppe, located on El Cajon Blvd., has a loyal following for its soups and sandwiches regardless of weather. The kitchen produces five soups (\$6) and eight paninis (\$6-\$8) every day. But the real deal - and best of both worlds - is their half sandwich and soup combo, which goes for \$8. We normally throw in an extra \$1 and get the bowl of creamy lobster bisque, punched up with a bit of sherry. It's luxurious and comforting, blanketing you

from the inside out. The perfect half panini to go with it? Pastrami and swiss, which adds a substantial boost of protein to your meal. Suddenly that chill in the air doesn't seem so nasty.

- Darlene Horn, February 4, 2014, www.zagat.com

Besides their famed Lobster Bisque (which received yet another Zagat mention for where to get lobster in San Diego), the SD Soup Shoppe is also renowned for their signature sandwich, the Turkey and Cheddar with Wild Blueberry Preserves. This panini happens to be my personal favorite, one that I always have cravings for, and the option I always recommend when working behind the counter. Regulars and newcomers alike develop the same affinity for such a novel flavor combination as soon as they taste it.



Through their various endeavors (not to mention being in a relationship for the past six years), Stephanie and Jeff have become a part of the local restaurateur community and true partners in more than just the business sense. Given my closeness to the couple, as Stephanie is my sister, I along with my family have served as moral supporters to the entrepreneur duo. As previously mentioned, I have even gone as far as working at the restaurant itself when they have been short-staffed or during extra busy lunch shifts.

The restaurant was experiencing an abundance of success and a growing customer base, as hoped for in any business. However, not too long after its opening, the restaurant soon found out it was limited by its size and its capacity could only allow so much traffic and food orders. With Steph and Jeff speculating as to what could remedy this issue, there was mention of a food truck and this immediately peaked my interest. While this Action Learning Handbook was not a project that was specifically sought out by the owners, with their permission, I proceeded with the exploration and analysis of a potential solution to a problem they were facing. With the proximity I had to the restaurant and observations from having worked there, combined with my business experience and targeted research, I assess the viability of the SD Soup Shoppe opening a particular venture – a mobile version of their brick and mortar restaurant, or food truck.

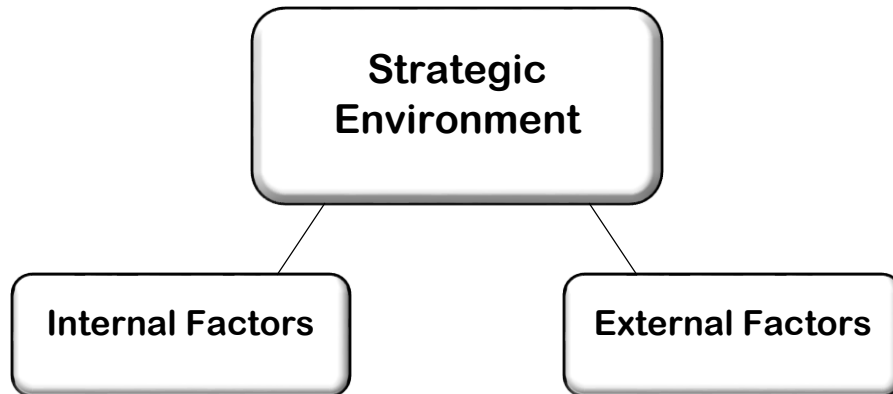
ENVIRONMENTAL ANALYSIS

Two methodologies were utilized in conducting the environmental analysis for the possibility of an existing brick and mortar establishment, SD Soup Shoppe (herein also referred to as SDSS or Soup Shoppe), opening a mobile version of its restaurant, SD Soup Truck. The methodologies are SWOT Analysis and Porter's Five Forces and are outlined below.

SWOT Analysis

SWOT (strengths, weaknesses, opportunities, threats) Analysis assesses a company's internal and external factors and examines these factors in the strategic environment. Environmental factors that are internal to the company are its strengths and weaknesses, while the environmental factors external to the company are its opportunities and threats. SWOT Analysis is an essential aspect of the strategic planning process because the information it provides is helpful in matching a company's resources and capabilities to the competitive environment in which it operates. This makes SWOT Analysis a crucial tool in the formulation and selection of a company's strategy.

The following assessment was performed of SD Soup Shoppe's internal and external factors for its SD Soup Truck venture.



Strengths (competitive advantages)

- ❖ Strong brand
 - SD Soup Shoppe – only one of its kind in San Diego
 - Strong association of name (that will be shared with SD Soup Truck)
- ❖ Strong reputation
 - Known for high quality ingredients and food
- ❖ Proprietary knowledge
 - All recipes are specific and unique to SDSS (developed by owners)
- ❖ Exclusive access to high quality resources
 - Standard for using only high quality products/ingredients
- ❖ Favorable access to distribution networks
 - Excellent rapport/relationship with suppliers, ways to

bypass network if necessary (if need sooner, etc.)

- Access would be increased with addition of mobile location since only operating out of brick and mortar restaurant

Weaknesses (absences of strength)

- ❖ Lack of patent/copyright/trademark
 - Restaurant concept
 - Recipes
- ❖ Reputation among customers
 - Pricing
 - Selection
 - Timeliness
 - Portion size
- ❖ Cost structure
 - Food truck advantage (cheaper), but long term costs
- ❖ Lack of access to high quality resources – none projected
- ❖ Lack of access to distribution channels – none projected

Opportunities (prospects for profit and growth)

- ❖ Unfulfilled customer need
 - There is currently no food truck in San Diego that serves

gourmet soups and paninis

- ❖ Use of current technology, emergence of new technology
 - Tools that can be utilized in aid of growth and expansion
- ❖ Less/ease of regulation
 - Smoother process of launching a food truck

Threats (changes)

- ❖ Shifts in customer tastes
 - For example – soup in the summer?
- ❖ Emergence of substitute
 - Copycat/competition/comparable item
- ❖ New regulations
 - Food service, food truck permits/zoning
- ❖ Worst case scenario – possible food truck cannibalization of brick and mortar restaurant sales?

The aforementioned strengths, weaknesses, opportunities, and threats were then examined in the strategic environment to develop the following SWOT matrix of strategies.

SWOT Matrix	Helpful	Harmful
Internal	Strengths	Weaknesses
External	Opportunities	Threats

Strengths-Opportunities (best fit, these should be pursued)

- ❖ Use knowledge and experience to fulfill customer need
- ❖ Utilize strong brand/reputation and established customer base
- ❖ Leverage established relationships with suppliers
- ❖ Build additional distribution network with added location (more so since a mobile location)

Weaknesses-Opportunities (must overcome to pursue)

- ❖ Become more responsive to customer sensitivity regarding pricing, selection, timeliness, and portion size
- ❖ Overcome higher cost structure of another brick and mortar location with a mobile location

Strengths-Threats (areas of vulnerability that need to be addressed)

- ❖ Dependence on brand/reputation to remain strong against competition

- ❖ Dependence on existing customer base
- ❖ Competition developing strong relationships with existing suppliers
- ❖ Inexperience with food service regulations specific to food truck
- ❖ Inexperience with social media activity specific to food truck

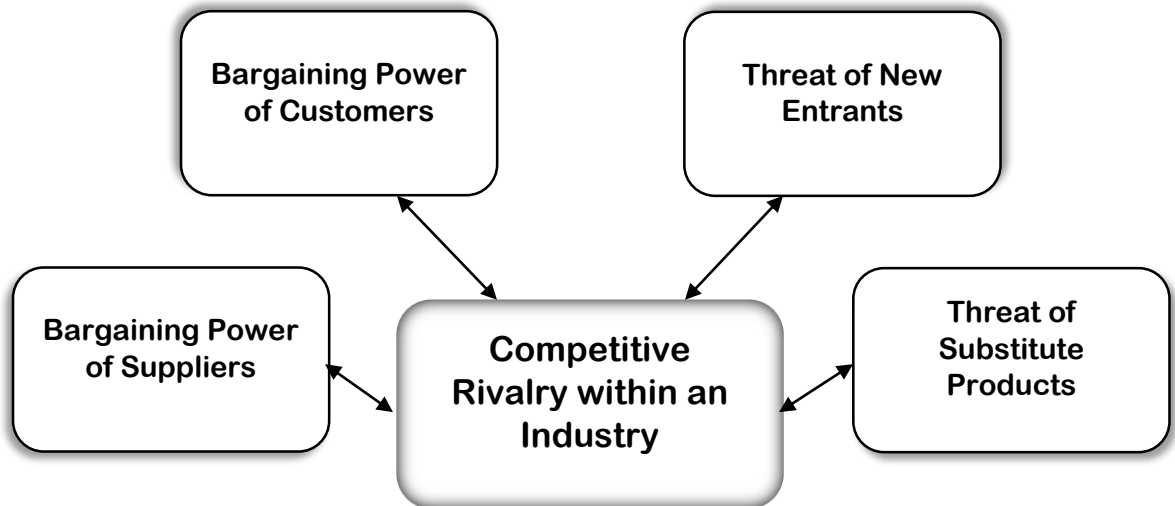
Weaknesses-Threats (defensive plan)

- ❖ Emergence of comparable competition if no protection of proprietary information
- ❖ Experiment with pricing/selection/portion size/expedited processes as a reaction to customer sensitivities
- ❖ Experience with regulations and permits should there be changes in/additional regulations/permits

Porter's Five Forces

Porter's Five Forces is an evaluation of the probable effects of outside forces on an organization's survival and growth strategies. Frequently used to identify an industry's structure in order to determine corporate strategy, Porter's model can be applied to any segment of the economy to search for profitability and attractiveness.

The following Five Forces analysis was conducted for the prospect of the SD Soup Shoppe opening a food truck version of their brick and mortar restaurant.



Threat of New Entrants (other new food trucks)

- ❖ Cheaper to start food truck rather than brick and mortar restaurant
 - lower fixed costs
- ❖ Food truck owners seldom have past experience in restaurants
(although to come from an existing restaurant is a growing trend)
- ❖ Customer brand loyalty to food truck would exist if came from existing restaurant/known chef or restaurateur
- ❖ Economies of scale – food truck sales worth cost of running and supplying?
- ❖ How long would be able to sustain, become profitable over time?

- ❖ Product protection – with exposure in expanded market, is there more threat of concept being copied?
- ❖ High barriers to entry – food safety regulations, permits, zoning laws, etc.
- ❖ No scarcity of resources
- ❖ For new food trucks, most threat comes from existing brick and mortar restaurants rather than from other food trucks

Bargaining Power of Suppliers (food truck suppliers)

- ❖ Several choices of suppliers, substitutes available as well
- ❖ Selection based on a variety of factors – pricing, timeliness, availability, etc.
- ❖ Timeliness – speed and volume of food preparation and service dictated by space/location restraints, need from suppliers ranges from immediate-day of to one week
- ❖ Profit margin of supplier vs. buyer to be considered
- ❖ Food and kitchen suppliers already established for SDSS (would be same for SD Soup Truck)
 - SDSS has rapport with its suppliers, advantage for better service/pricing/relationship

- ❖ Other food truck needs, SDSS has its go-to suppliers
 - Signage, credit card processing, etc.

Threat of Substitute Products (other gourmet soup/panini food trucks)

- ❖ None in San Diego (there is presence in Los Angeles and San Francisco)
- ❖ Does not appear to be anything comparable to the SD Soup Truck concept
- ❖ Others may copy (threat of new entrants)
- ❖ Likelihood of SD Soup Truck substituting SD Soup Shoppe – unlikely

Bargaining Power of Customers (customers of SD Soup Truck)

- ❖ SD Soup Truck would have a unique product offering and would be sole provider, unless new entrant/substitute serves to same customer base
- ❖ Large customer base exists already due to SDSS, would be expanded with additional mobile location
 - SD Soup Truck would either serve existing customers in new locations and/or would grow following since expanding to new areas

- ❖ If lose portion of customer base for any reason, there still exists an avid following
- ❖ Potential for SD Soup Truck – too much demand for supply (problem already experienced by SDSS)
- ❖ Evidence of customer price sensitivity (gathered from reviews of menu pricing/portion size)
 - Primary sales of SD Soup Truck would be combo pricing (most popular at SDSS)
- ❖ Food truck could also function as mobile catering service (common with food trucks, but also origins of SDSS – OB Bread Company)

Competitive Rivalry within an Industry (food truck industry)

- ❖ Steadfast presence of food truck market in San Diego, currently does not contain a gourmet soup/panini competitor (there may be alternatives, but specific concept is gourmet soups and panini sandwiches)
- ❖ SD Soup Truck would provide a specialty product (SDSS is a unique restaurant)
- ❖ High degree of customer loyalty (SD Soup Shoppe has “regulars,” has offered loyalty cards)

- ❖ Costs of leaving market – sunk costs, SDSS to absorb
- ❖ Switching costs – not expected to be experienced since unlikely to sever relations with suppliers
- ❖ Customer switching costs – currently nothing comparable for customers to switch to (although there may be alternatives)
- ❖ High differentiation – much variety in food trucks and offerings
- ❖ Maturity of food truck market in San Diego – high growth potential, much more developed in other cities like Los Angeles and San Francisco

Environmental Analysis Summary

As the exploration of both environmental analysis methodologies shows, the outlook for the SD Soup Shoppe is positive. SWOT Analysis established that although the Soup Shoppe would have many strengths entering the food truck market, it would also have its share of weaknesses that would have to be addressed. The food truck market has much opportunity, although there are threats that a new entrant to the industry would have to face, as such threats are already being faced by the brick and mortar restaurant itself. The SWOT matrix of strategies further indicated the interconnectivity of the internal and external factors. SD Soup Shoppe's strategy for success will be dependent upon its ability

to capitalize on opportunity by leveraging current strengths and developing new ones. Soup Shoppe will also have to defend against threats with awareness of its limitations along with changes that occur within the industry. While entry into the food truck market will certainly be filled with challenges, environmental analysis identified what those challenges are, showed how best to move forward, and presented the plan of attack with which SD Soup Shoppe can successfully enter with.

Porter's Five Forces confirmed that there does exist profitability and attractiveness in the mobile restaurant industry for the SD Soup Shoppe. It was demonstrated that while the threat of new entrants to the industry is high, the threat of substitute products for Soup Shoppe's offering is low, proving that the experience of the established restaurant will certainly serve as a competitive advantage. It was also shown that the bargaining power of suppliers is low, while the bargaining power of customers is high, the latter being very much expected in the service-oriented nature of the food industry. Though Soup Shoppe has established relationships with their suppliers and customers, the restaurant will need to continue to stay mindful of these stakeholders. Porter's Five Forces clearly outlined a strategy for growth and success, and as the analysis contends, a food truck entered into the market by SD Soup Shoppe would surely be a formidable competitor in the food truck industry.

THE ACTION LEARNING PROJECT

The venture that will be examined in this Action Learning Handbook is a mobile version of the brick and mortar restaurant, SD Soup Shoppe. The ultimate goal is for the SD Soup Truck to be a success, and this will be accomplished by doing the following:

- ❖ Leverage SD Soup Shoppe's current relationships with suppliers of the following (but not limited to): food, location, furniture, kitchen, décor, signage, construction/contracting, building supplies, utilities, credit card processing, advertising, permits, security, staffing, etc.
 - Not only gain access to products and services needed for SD Soup Truck, but do so with discounted pricing and expedited timelines, while reinforcing relations for future needs
- ❖ Hire engaged and motivated staff that are knowledgeable of the SD Soup Shoppe brand and can contribute to the lasting success of SD Soup Truck
 - SD Soup Truck employees are expected to:
 - Possess marketing and promotion experience/abilities
 - Be highly competent in and savvy with social media
 - Be knowledgeable of food truck operation and parking laws

and regulations

- Be competent/certified in food handling and food service
- Deliver excellent customer service
- Have business/restaurant/managerial/entrepreneurial acumen
- Be self-directed, reliable, and independent in food truck operations
- Be flexible with scheduling

❖ Increase market reach and visibility of the SD Soup Shoppe brand in San Diego

- Possible strategies include the following:
 - Provide additional location option by infiltrating identified area of concentration of current consumer base
 - Use SD Soup Truck as a means of gaining new customers by entering completely new area(s) of concentration of potential consumers
 - Seek out optimal location for SD Soup Truck that will garner ideal combination of traffic, sales, and exposure
 - Optimal location may be any of but not limited to

the following: business areas,
apartment/condominium housing,
colleges/universities, events (local, sports, music,
cultural, entertainment, convention, conference,
festival, fair, etc.), farmers markets, parks, beaches,
tourist attractions, food truck
lots/groupings/association

- ❖ Increase traffic and patronage to SD Soup Shoppe as a result of increased exposure from SD Soup Truck
- ❖ Generate sales and revenues that show SD Soup Truck venture to be profitable

The proceeding Action Learning Handbook will examine the venture of an existing and successful brick and mortar establishment, SD Soup Shoppe, opening a mobile version of its restaurant, SD Soup Truck. This project sets forth research that presents commentary from literature review, as well as input from former MBA colleagues. An in-depth look at how the process would be carried out is also provided, along with financials and an analysis of the costs. To conclude, personal reflections are made on the project itself, the organizations involved, and the PLNU MBA experience.

CHAPTER TWO

FOCUSED LITERATURE REVIEW

The perspectives of ten scholarly articles were sought out in the pursuit of information that would serve to substantiate the notion of the SD Soup Shoppe opening a food truck. Those perspectives are presented here in the focused literature review.

The Taco Truck: Morphology and Assemblage of an American Object

There are several ideas from this article that are relevant to SD Soup Shoppe's food truck venture, such as how food vendors utilize and create space, ethnic identity and authenticity as a strongpoint, and how much of an impact food blogging can have on a food truck's success. The commentary on food blogging was most striking, as there was mention of varying styles of writing and what those styles evoke for food, vendors, and followers of food trucks. Food blogging does more than simply describe the cuisine, but also speaks to the eating experience itself. It is this experience crafted by the food blogger that builds enticement and longing for anyone reading the blog, therefore making any reader a potential customer. It is for this reason that food trucks find it of benefit to make food that can be described as a "destination," a "commodity,"

and an “adventure.” To further the form of ‘foodie’ expression, food blogging can even be taken to the level of video food blogging.

“they eat one vendors food after another, sampling, looking for something – a gem, or treasure, something to consume and then exhibit one chomp at time.

Then they leave a mark by posting their account of their voyage, almost like making a claim to ‘virgin’ places” (Contreras, 2011, p. 46)

This article undoubtedly speaks to the importance of the customer in the food truck market. Not only do customers provide revenue, they also provide the food truck reviews of its food. Such reviews can make or break a food truck when they are broadcasted onto the social media sphere, whether in a blog, or on Facebook, Twitter, Instagram, etc. Although the customer holds much power, the biggest takeaway for Soup Shoppe is that they can take this power back for themselves. As much as customer content can either support or deny a food truck’s claims, food trucks can create the sense of longing on their own with the content they publicize on their social media channels. While they are nothing without their followers, by taking charge of the material on their own Facebook, Twitter, Instagram, or blog, food trucks can build the perception of destination, commodity, and adventure and drive their customers right to them. It is this emphasis on social media and the experience it can create that will have to be an area of focus for the SD Soup Shoppe.

Kogi Truck Culture

This article spoke to the importance of social media for a food truck as well, specifically examining the role social media plays for the most prolific food truck in today's market. After all, if there is an example to follow, it would be proper for it to be none other than that of Kogi BBQ Taco Truck.

“With featured spreads on the BBC and in the New York Times, and Newsweek, the Los Angeles-based Kogi Korean Taco Truck’s fame has certainly spread beyond the limits of Southern California...excitement has hardly dimmed since its ‘opening’ in November of 2008. The truck’s number of Twitter followers was reaching nearly 76,000 as of October 7, 2010.” (Choy, 2011, p. 1)

Kogi Truck is highly regarded as the trailblazer of food truck culture.

With exceptional and trendy food to its name, this food truck has also developed a massive social media presence and following to boot. Customers, who range from devoted loyal patrons to curious first-timers, follow the truck's every move on its social media outlets (Facebook, Twitter, Flickr, and Pinterest), and in so doing create a “culture craze” for the immensely popular food truck. Besides location, the Kogi Truck also informs its followers of specials, what menu items have sold out, and instances of when there happens to be no line.

As strategic food trucks can be with the information they disseminate through social media, they can also be strategic with their choice of location. The

article shared another example of looking to Kogi Truck in a different way – by piggy-backing on its coattails, literally. It is not uncommon for food trucks to park in the vicinity of another truck that has a proven track record, in hopes of sharing in the business generated by that truck. Lesser known food trucks would often seek out the whereabouts of the Kogi Truck to set up shop in the same area, aiming to tap into the traffic and buzz that always surrounds this particular truck. When starting out, this location strategy could be one for SD Soup Truck to consider. As far as the success Kogi Truck has been able to have on social media, SD Soup Shoppe can certainly look to that as a model of success.

Food Truck Nation

The food landscape has forever been changed with the emergence of a ‘food truck nation,’ as so aptly put by the title of this article. This article affirmed the significance of the food truck industry, highlighting its entrepreneurial appeal, the caliber of talent within it, and the typical things trucks face on a day-to-day basis. Points in support of entering the industry were identified, which SD Soup Shoppe can definitely take as encouragement.

“For would-be restaurateurs, launching a culinary truck requires far less start-up capital than a brick-and-mortar restaurant. At a time when consumers are

cutting back on restaurant spending, a food truck serving inexpensive lunches and snacks can be an easier sell to diners.” (Mclaughlin, 2009, p. 1)

A food truck could stand to earn much revenue and popularity in the market, with the right menu offering, price point, and technological savviness. Aside from these positive signs, challenges that are often faced were presented as well. Soup Shoppe will certainly have to take these into consideration.

“Another major hazard of the business, newcomers say, is hostility – and even threats – from the competition...entry into the industry was marked by threats and sabotage by other vendors, who parked their carts right in front of his sales window.” (Mclaughlin, 2009, p. 3)

Soup Shoppe will have to expect that competition will be imminent for the food truck they enter into the market with, which may even go as far as barring them from being able to sell. Another major hurdle that was commented on in the article was the parking and permitting that is different for every municipality. With every city having its own rules about where food trucks can operate, this can make things very difficult for an unknowing food truck. Organizations have even been started up in support of the food trucks who often times have to battle new regulations. Without a doubt, being informed and fully aware of the rules and regulations that apply to running a food truck in San Diego is going to have to be a top priority for SD Soup Shoppe.

TOGO Truck Information Service: Based on Mobile Tracking System

Other articles have stressed the importance of food trucks utilizing social media to its advantage, but this article assesses why using social media is so important for a food truck in the first place.

“with the rise of the food truck industry, we have observed the decline of stationary restaurants. But, unlike the mobile counterpart, the stationary restaurants still have one distinct advantage; consumers know where to find them.” (Lee, 2012, p. 1)

The mobility of a food truck is usually viewed as something positive, conversely it may actually be negative due to its lack of constancy. For this reason, it is imperative for SD Soup Shoppe to communicate with its customers through its social media channels. Soup Shoppe can even use other means such as the real-time information tracking apps proposed by the article’s author. With this growing market, innovations are available (and are still emerging) for food trucks to take advantage of, and Soup Shoppe needs to partake in that.

Technology can also be an influencer in the choice of location for food trucks. In a very consumer-driven market, patrons have started to take charge of where they want their next meal from.

“after the growing trend of food trucks, many consumers developed their own preference in search of the ideal food truck by using smart phones and the

internet." (Lee, 2012, p. 1)

Not to say that Soup Shoppe's food truck would abide by their customers' every whim of where they would want the truck to be, but where their customers are plays a part in determining the truck's location. The article also goes as far as suggesting that loyalty and trust can be gained from its followers depending on where a food truck's location is. As delicate the business relationship can be between suppliers and demanders, while one would not necessarily dictate to another, there is certainly impact. SD Soup Shoppe should take note of what this article is clearly inferring, which is that use of technology and choice of location can define the level of business, traffic, and success for a food truck.

Food Fight!: The Legal Debate Over the Obesity Epidemic, Food Labeling, and the Government's Involvement in What You Eat: The New Food Truck Advocacy: Social Media, Mobile Food Vending Associations, Truck Lots, & Litigation in California & Beyond

This article presented the history and reasons that make the venture of a food truck appealing, as well as an examination of the plight of food trucks with regard to the regulations they have to face, primarily in the city of Los Angeles.

There are encouraging signs for starting up a food truck, as the article cites three specific reasons. The first reason is the expansion of "foodie" culture that

has been catapulted into prominence with the variety of cuisine put forth by food trucks. Entering into the food truck market with an offering as unique as SD Soup Shoppe's would certainly translate into a strong following for the food truck, as is already exists for the brand.

"By any name, food sold by mobile vendors has become increasingly common and popular with the buying public." (Linnekin, Dermer, & Geller, 2011, p. 3)

The second reason of a food truck's appeal is its comparison to brick and mortar restaurants. In a time where restaurant success, whether brick and mortar or mobile, is not instantaneous nor guaranteed, entrepreneurs will consider the proportion of resources that is needed to launch either option. The outlay of expenditures that is needed for each venture is staggeringly different. With a food truck being the substantially lesser of the two, this makes it more of an attractive choice to would-be restaurateurs.

The third sign in encouragement of food trucks is the behavior and preference of the customer. Nowadays, consumers seek to make the most out of their money and are smarter about how and where they spend. Food trucks tend to offer more affordable dining options versus similar options at brick and mortar restaurants. This would make the food truck the more cost-effective choice. Every food truck covets crowds of patrons flocking to form lines at their

enterprise, and the present-day widespread celebrity of food trucks is an indication of this behavior.

“But it is not just chefs and hungry customers who have embraced food trucks....Food trucks have been featured in most major national print newspapers, have been the subject of a Food Network television show, are the topic of a recently published book, and are the focus of an annual national street food conference.” (Linnekin, Dermer, & Geller, 2011, p. 4)

Though there are convincing reasons in support of the venture, having a food truck, or any business for that matter, is challenging. The challenge unique to food trucks is the enormity of regulations they have to abide by.

“it often appears as if there are as many laws governing food trucks as there are trucks themselves...The manner a local government applies these rules to food trucks can have a great impact on the business and regulatory climate in which food trucks operate.” (Linnekin, Dermer, & Geller, 2011, p. 4-5)

Health codes and parking limits are the most common areas of regulation food trucks have to deal with. They must obtain numerous amounts of permits and licenses as well. Food trucks are hardest hit in the County of Los Angeles, a distinction not expected for a location regarded as the most prolific and renowned for mobile restaurants. Los Angeles and surrounding cities created many obstacles for these businesses by attempting to prohibit or highly constrict

them. The article went as far as suggesting that such regulatory hurdles and barriers were put into place to serve the high-powered interests of brick and mortar restaurants and state restaurant associations, who seek to weaken the emerging food truck scene. Associations have formed to represent and fight for the rights of food trucks, most notably the Southern California Mobile Food Vendor Association, or SoCalMFVA. SoCalMFVA, with the strength of those they act on behalf of, has pushed for the reexamination of the regulations. This association, and others similar to it, have experienced great success on calling attention to the plight of food trucks and gaining traction on their fair treatment.

This article's argument for food trucks is useful information for the SD Soup Shoppe. It appears that Soup Shoppe would be making the right decision should they decide to enter the mobile restaurant market given the food truck's increasing popularity, its viability as an alternative to opening a second brick and mortar restaurant, and its budget friendly price points that make it a definite selection for the spending conscious. There are as many cons as there are pros for food trucks though; specifically, the seemingly countless regulations that are associated with its operation. Food trucks have come far, especially with the help of food truck associations, which SD Soup Shoppe needs to strongly consider joining. Yet despite the progress that has been made, there still lies a long road ahead, so Soup Shoppe needs to ensure they are fully informed on and

aware of the regulations that will apply to them in the City of San Diego, or whatever municipality they choose to operate in.

LA's Taco Truck War: How Law Cooks Food Culture Contexts

The telling of the Los Angeles story continues, as this article delves into the deep-rooted symbolism of the food truck in its historically-recognized origin city for the modern era. Sentiments for and against food trucks are examined, as these sentiments are viewed as the cause of the “truck war” which has spurred much dispute and litigation in the fight to keep and keep out these businesses.

There are many misconceptions that food trucks have to constantly battle. They are seen as congesting to streets and contributor of litter and crime to the areas they occupy. They are also commonly regarded as unsafe and unsanitary, since they do not have the same cooking, disposal, and storing abilities as traditional brick and mortar restaurants. Anti-food truck views also contend that they have unfair competitive advantages, as they do not have to pay rent, do not have to attend to customers and eating areas, and can be as mobile as their customers. It is argued that these negative opinions stem from neighborhoods seeking to protect their image and their property values from these unwanted businesses and their customers.

With all the vehicle and health codes they must adhere to, it would be hard for a food truck to be unsafe or unsanitary. Plus, the affordable options food trucks offer are a boost to the economy, making them an important aspect of urban food culture. Despite these positive responses to the misconceptions, the City of Los Angeles and other LA County cities have imposed parking regulations in an effort to limit food truck activity. While similar actions may also be taking place in the City and County of San Diego, the negativity of controversy and war associated with such actions is not as permeated as what has been experienced by food trucks in LA.

The growing importance of food truck associations was also further highlighted in this article. The most prominent one, Southern California Mobile Food Vendors Association, seeks to put food truck issues on the forefront by informing, educating, and engaging the public. SoCalMFVA and other associations constantly stress the necessity and significance of food trucks in both the culinary and cultural senses. With all the erroneous perceptions food trucks have to face, the efforts and advocacy of these associations are paramount to the cause and to the ongoing war they are fighting in.

The LA truck war is heavy with emotion and passion from both sides of the fight. The side against food trucks claim that they are a source of congestion, unfair congestion, sanitation issues, and overall unsightliness. Food trucks are

always going to counter these points with their reality of being as regulated as brick and mortar restaurants (if not more) and being an impactful player in the food scene. War, along with the controversy surrounding it, can be a bitter experience, but food trucks in LA will always fight to secure their place in the in the most prime example of a food truck city. SD Soup Shoppe can look to this article as providing the framework for being successful in the food truck venture as it presented cons to avoid and pros to take advantage of. Soup Shoppe's consideration of being part of a food truck association should also be solidified, as the work and activism carried out by such associations is immensely beneficial. Besides learning the food truck regulations specific to San Diego (as opposed to LA), Soup Shoppe will also have to be ready for the sentiment and perceptions of such regulations. SD Soup Shoppe will have to keep these points in mind in order to assert themselves as a premier food truck in San Diego.

[A Hungry Industry on Rolling Regulations: A Look at Food Truck Regulations in Cities Across the United States](#)

With the growing presence and rising popularity of food trucks, American cities have sought to place regulations on these mobile restaurants. This article portrays the experience of food trucks in navigating the varying levels of laws and ordinances that are imparted upon them.

“Food trucks are regulated by local government agencies, which take a wide range of approaches. For example, in 34 of the nation’s largest cities, entire areas are off-limits to vendors, often including the most desirable commercial districts. Nineteen cities allow mobile vendors to stay in one spot for only short periods of time, forcing them to spend resources moving rather than selling. Five cities prevent vendors from stopping at all unless flagged by a customer, making it difficult to connect with buyers.” (Williams, 2012, p. 2)

It has been observed that the longer a city has had its food truck inhabitants, the more time a city has had to foster a regulatory climate adapted to these specific businesses. In these cases, the type of food truck culture will differ from one another depending on the regulatory climate that is placed upon them, which ranges from stringent to liberal.

Previous articles have elaborated on the regulations and ensuing stringent atmosphere of the food truck culture in Los Angeles, a city with an undoubtedly long history of food trucks. LA food trucks have faced a backlash against them that is clearly reflected in the policies they are subjected to, which tend to be especially restrictive in the areas of traffic and sanitation.

“Trucks are required to obey all posted parking restrictions and dispense food from the street side only. They must provide a trash receptacle in a conspicuous place clearly marked or patrons...a truck that will operate in any one location for

over an hour must have permission to use a restroom located within 200 feet of the truck.” (Williams, 2012, p. 14)

Los Angeles food truck regulations have a reputation of having prohibitive intent. The food trucks in this city are offended by the stipulations that are against them, but they continue to flourish in a food truck culture that rallies against the inequity they face.

Despite the state of affairs in a city like Los Angeles, there are cities who have a more relaxed approach to these businesses. A liberal example is the city of Portland, where food trucks started appearing in the late 1980's. In Portland, most of the areas of regulations directed at food trucks are the same as those directed at traditional restaurants, which are intended for consumer safety — employee conduct, hazardous food temperature, hand washing facilities, kitchen appliances, commissary, and license and certificate requirements. Besides having to be classified into one of four categories (based on the products sold and its equipment requirements), the regulating conditions in Portland has made for an encouraging environment. In this city, there are rules the food trucks must follow, but they are not imposed on the trucks in an unreasonable manner. This positive climate was furthered by a 2008 study performed by the Portland Bureau of Planning and Sustainability, whose findings were in the utmost support of food trucks.

“trucks promote social interactions, provide employment opportunities, and ‘have positive impacts on street vitality and neighborhood life.’” (Williams, 2012, p. 14)

This progressive attitude towards food trucks is reinforced by its type of regulatory climate, which has in turn shaped and promoted a thriving Portland food truck scene.

The article presented other examples of cities and their food truck regulations, those of Chicago, Dallas, Indianapolis, Philadelphia, Washington D.C., and Jersey City. Some of these cities have many controls tailored towards food trucks, others have few, and still others are going through changing governing landscapes to be able to accommodate their expanding food truck population. Regardless of what city a food truck is in, it is worthy to recognize the regulatory climate it is operating in, since it has an effect on the way of life for its entrepreneurs.

The Best Social Media Practices for an Individual Franchisee in the Restaurant Industry

In similar fashion to many of the articles that have been showcased so far, this article greatly emphasized the utmost importance of an establishment utilizing social media in its arsenal of advertising and promotion tools. This article specifically addressed the reasons why and ways in which social media is

of benefit to a franchise restaurant. While SD Soup Truck would not exactly be a franchise of the SD Soup Shoppe, this is a case the subsidiary can relate to.

“In today’s fast-paced and technologically advanced society, it is important that businesses utilize multiple social media platforms within their public relations and marketing plans in order to succeed. Using social media can provide more awareness, publicity, advertisement and customer outreach for any company trying to grow and increase revenue.” (Ronca, 2013, p. 3)

Social media is fast becoming the premier way to communicate with the general public due to the Internet, smartphones, and society’s overall preference for quick and efficient access to information. The need to resort to traditional forms of public relations and advertising is greatly diminished with the presence of social media. Social media is also an effective way to facilitate the flow of information that is dispersed and received, valuable information such as opinions, experiences, insights, and perspectives. Followers share this information with each other as well as with the restaurant, and this feedback can be crucial to success of a restaurant. If not already implemented, a restaurant’s communication plan must be inclusive of social media, as dictated by the evolving times.

It also could not be more obvious to make use of a tool that is free and has widespread reach to many current and potential customers. It is clearly to a

restaurant's advantage to have presence on social media platforms such as Facebook, Twitter, Instagram, Pinterest, Foursquare, and Yelp. Use of these platforms can elevate a restaurant's publicity and notoriety of its brand, image, sales, products, and website. When it comes to the website, it is of extreme importance that the site is compatible with phones. Mobile viewing, and its streamlined and simple display of content, is key to keeping customers' interest and getting their business. Blogs and Google alerts are other means of social media that can be of benefit to a restaurant and its communication techniques and strategies.

There are other capabilities of social media that businesses in a restaurant setting cannot overlook in its communication tactics. A restaurant's following can be developed online, not only in-person. Through social media, a restaurant can gain new customers while informing existing customers of news, updates, specials, and deals. An online community of followers can be built, brand awareness increased, the target audience is engaged, and followers are driven to the business. Social media can also be used to expand public interest and build strong relationships with followers. The more comfortable customers feel with an establishment, the more time they are willing spend at an establishment. More time spent at a restaurant in turn translates into more money being spent at

the restaurant, which is always the ultimate goal. Increased revenue and profits can be achieved with social media.

Additionally, the article goes into detail of the advantage of having a public relations or marketing firm handle the social media of the restaurant. While hiring a firm may not be in the immediate plan of SD Soup Truck, the restaurant could instead hire personnel whose specialty and focus would be the communication responsibilities of the business. A staff member with the right set of expertise and savvy would be able to convey the right message to its target audience, in not only a tactical way for the restaurant, but also in a relatable way for the customers. Someone with the professional sense would be able to have the restaurant's social media do the all of following: build strong relationships with the industry and the community, have integrity in its approach to the restaurant's clients, place relevant and pertinent information about the business in the press, and lastly, formulate short and long term public relations strategies to meet the goals and needs of the restaurant. It would definitely be of great value to the restaurant to have a dedicated employee for this particular area of the business, making this a situation SD Soup Truck should certainly explore.

Many examples of social media uses, tactics, and best practices tips were also shared by the article, all of which SD Soup Truck can model their own communication approach after. Those examples, tactics, and tips are:

Facebook

- Provide information about events, videos, articles, contests
- Post pictures and slideshows of customers, staff, daily food and drink specials, events
- Accumulate page likes, friends – tag in posts/photos
- Have staff check-in, write posts on specials, deals, etc. (have staff check-in and write posts on personal pages as well)
- Offer social media incentives – deals/discounts for check-in (spreads awareness easily and quickly)

Instagram/Pinterest/Twitter

- Show pictures of products, happenings, specials, customers, staff
- Use not just for promotion, also be helpful and informative
- Reach out to media outlets, bloggers, and others in the industry

Overall

- Use the social media platforms that are the best fit and are manageable for the organization; use each platform appropriately
- Take advantage of photo opportunities, photos are preferred to text
- Be interactive with followers and stay connected with them – this makes them want to stay connected with the business

- Don't always sell – be interesting, informative, share and give followers something more; have a unique, conversational, personal, and authentic voice
- Make your presence daily – this leads to a positive response

Strategies

- Have goals for number of followers/friends/likes/reviews desired
- Determine posts/pictures/deals/incentives frequency
- Ensure engagement – customer and staff activity, contests, discussions, friend invites
- Reply back to all questions and comments within a set time frame; thank positivity, address negativity
- Promote/host events for others in community, celebrate milestones
- Take advantage of creative hashtags, famous endorsements
- Monitor clicks using a URL shortener
- Identify high traffic times to post for most optimal viewing, take notice of patterns and trends
- Do not spam followers
- Have fun and think outside the box

Social media has unquestionably become a necessary part of not only

running a business, but in running a successful one. In today's day and age, it is vital that the various social media platforms be incorporated into a venture's public relations techniques and strategies. For restaurants in particular, there are certain social media methods and nuances that an employee of its expertise will need to take advantage of in order to utilize social media to its full potential. The most proven and effective ways to use social media as experienced by other restaurants could be integrated into SD Soup Truck's communication approach as well. The power of social media cannot be denied, and it is essential that the SD Soup Truck heed its ability to further its business.

Customer Engagement, Buyer-Seller Relationships, and Social Media

It has been identified that engaging the customer is of utmost importance when it comes to having a successful venture. Nowadays, social media has empowered the business to take customer engagement to the next level. This article is completely immersed in the science of customer engagement, and social media's ability to aid in a business's plight to engage its customers.

The buyer-seller relationship has evolved to become more than a mere transactional exchange, it has turned into something more intimate and desired for the long-term. Value creation was traditionally the responsibility of the seller, but because of the new intimate and long-term relationship, the roles have

converged and buyers and sellers now create value for each other. Social media has facilitated the sharing of information, which is not only between sellers and buyers, but is between buyers and other buyers too. Together they identify problems, develop solutions, advocate an establishment, and influence purchase decisions. Customers are now generating worthwhile content and social media has enabled businesses to better serve their customers. Social media has created the opportunity to extend and deepen the buyer-seller relationship.

Social media has generated greater potential for increased customer engagement between businesses and their customers, and this interactivity has shifted the focus onto the needs of the buyer rather than those of the seller. As a result, businesses have turned to a customer-centric approach in its marketing. The analysis of customer engagement has also gone as far to say that it is comprised of the following stages: awareness, interest, consideration, connection, inquiry, interaction, purchase, satisfaction, retention, commitment, advocacy, and loyalty. Businesses can identify metrics for these stages and track them over time. While SD Soup Truck does not necessarily have to adopt these practices in its operations, it can take such methods into consideration.

Engaging the customer has become a key aspect in the success of a business, restaurant, or any other venture. Customers now have a voice in a way a restaurant operates its business, and establishments have welcomed this new

wave of involvement. Social media has furthered the opportunity for this interaction, and has fostered the relational exchange and emotional bonds between restaurants and their followers. The trust and commitment shared between businesses and their customers have become critical and meaningful, and it is imperative the benefits of customer engagement are capitalized.

If You Love Something, Let it Go Mobile: Mobile Marketing and Mobile Social Media 4x4

The importance of social media has been an underlying theme throughout the articles presented in this literature review, and this last article will further emphasize this point. It can easily be ascertained that SD Soup Truck would be utilizing social media in its development, launch, and overall approach to the public. While a unique social media methodology would be devised, this article presents four key principles in using these particular communication outlets, along with various ways social media can best serve the SD Soup Truck.

It is no surprise that three out of four companies in the United States currently have or are planning to have a social media presence. Social media offers a wide range of opportunity for every type of venture, from large corporations to local small businesses. The most prominent and well-known companies of the world are using social media in innovative ways, and

establishments such as SD Soup Truck can follow suit. Here are several interesting mobile marketing campaigns:

- Safeway/Pepsi/Foursquare collaboration – for a three-month pilot program period, the national supermarket chain offered exclusive and individually tailored Pepsi product discounts to those who linked their Foursquare account to their Vons Club loyalty program card
- McDonalds – on Foursquare Day April 16, 2010, the fast food giant offered \$5 and \$10 gift cards to 100 randomly selected among those checking-in at its restaurants; this promotion alone increased check-ins by 33%, garnered over 50 articles and blog posts, and ignited several hundred thousand news feeds and Twitter messages
- Virgin America – to launch its new California to Cancun service, those checking-in within a specified time at designated Border Grill taco trucks received access to two-for-one food and flight specials
- Starbucks – “Barista Badge” is given to those who check-in at five different coffeehouse locations
- Golden Corral – the most checked-in or “mayor” can eat and drink for free

Whether for outreach, communication, conducting marketing research, inciting viral phenomena, promoting new products, offering sales and discounts,

pushing loyalty programs, or developing relationships through intangibles, companies are using social media to their advantage and are reaping the rewards. Previously thought to have been empowering only to consumers, mobile marketing is giving power back to companies, whose use of social media is resulting in increased notoriety, growing sales, and expanded consumer bases.

Besides providing examples of ways social media has been used, the article also offered four key principles for businesses to keep in mind when dealing with the mobile marketing platform. These four pillars of advice are to be considered when utilizing social media to make your message public:

- *Integrate* your activities into users' lives, to avoid being a nuisance
- *Individualize* your activities to take account of user preferences and interests
- *Involve* the user through engaging conversations
- *Initiate* the creation of user-generated content

Social media has revolutionized the way companies are communicating with the public, and it still finds itself evolving as a tool for the future. It is fast turning into the premier form of interaction, and has grown to become a means to connect globally and with generations to come. As advancements in technology are made, the next wave of social media apps keeps not only the world, but businesses and customers alike anticipating what is emerging on the communicative horizon. It is an understatement to say that social media is what

a company must turn to in order to make a name for itself; its magnitude and power of mobile marketing is far too significant to ignore.

Focused Literature Review Summary

As evidenced by this Focused Literature Review, there is extensive research in support of the food truck venture. As recent as the food truck trend is, a copious amount has been written on the subject and its underlying topics. A great deal of useful information has been presented, from the creation of experience from food truck identity, to the example of the most trail-blazing food truck, the burden of regulations trucks have to face, and the absolute reign and prevalence of social media in the business world. This Literature Review offered much to take into account when it comes to the opening and operating of a food truck, practically a blueprint for what is needed to build a standout enterprise. For instance, SD Soup Truck will know to be strategic with its location, be wary of competition and common misconceptions, the benefit of joining a food truck association, and to keep in mind the culture of the city they are in. SD Soup Shoppe has much content it can draw from, as the knowledge gained from these ten articles will undeniably serve as the foundation for launching and maintaining a successful food truck.

INPUT FROM COLLEAGUES

The expertise of two trusted PLNU MBA colleagues was sought after for their outlook on the potential implementation of the Action Learning Project. Each MBA colleague was specifically chosen for their areas of knowledge, skill, and profession – one for their strengths in social media, another for their background in the restaurant industry. The counsel (along with the support and friendship) provided by two former classmates further validated the position of the SD Soup Shoppe opening a mobile version of its flagship restaurant.

Courtney Hamad

Mrs. Hamad has a very rich history with Point Loma Nazarene University – not only did she attend PLNU for both undergraduate and graduate education, Mrs. Hamad also served as Manager of its Fermanian Business & Economic Institute from 2007 to 2011. Currently, Courtney is the Public Relations & Social Media Manager for The Sanctuary Day Spa, located in Ocean Beach. She is also serving as a Freelance Fact Checker for the Automobile Club of Southern California, a regional division of the AAA. Courtney was particularly selected for her input due to her current involvement with social media, which has been

explicitly identified as an extremely crucial component of the food truck industry. The discussion with Courtney quickly delved into the focal subject.

The first thing that was expressed about social media was how difficult of a medium it is to work with. It conscientiously needs to be individually catered for every industry, every business, and every customer. It is essential for any business to know who their target market is and what their identity will be, and it is important to use social media to convey this identity to the target audience. This is a principle that a venture must adhere to, although different approaches may be taken given the nature of the medium. In social media, there is always an opportunity to learn something new.

There is a definite difference between the personal and professional use of social media, and it is helpful to know the manners in which one's target audience uses the news and communication tool. For instance, Courtney identified that Facebook is no longer popular with the younger crowd, who is now a more avid user of Twitter. Younger customers' preference to Twitter caters to their limited attention span and need for quick and timely information, attributes that are characteristic of Generation Y. Knowing which social media platform is ideal in reaching one's customer base is to an enterprise's advantage.

Customers' favoring of Twitter is preferable by businesses, as Courtney associated Twitter as being a more business-based platform, due to its nature of

disseminating news, updates, and information. Courtney gave samples of organizational Twitter accounts worth modeling one's own account after, such as those of Piperlime, Malibu Wine Guy/Rocky Oats Vineyard, and Honest Toddler. These examples' various styles of offering discounts, specials, advice, and being personal and entertaining, are techniques that can easily be adopted. Other noteworthy aspects of a Twitter feed also include features such as interesting pictures, customer of the day, and fun contests. A definite challenge in the Twitter realm is determining the frequency with which to post. Should a business find itself on the extremes of the spectrum, either tweeting too much or tweeting too little, one will lose followers. Should your customers follow many other Twitter accounts, your tweets will get lost in the shuffle. There is a balance that must be achieved to avoid the pitfalls of the Twitter frequency traps.

Other tactics were offered by Courtney for the Twitter medium.

Connecting with followers is paramount. Followers desire something more involved and relational, and a business's Twitter posts should not purely be sales or ads. Also, pinpoint the optimal time to tweet, this being the time of the day that best captivates the interest of your customers. For instance, people think about what they will be having for lunch when they get into work in the morning, so if an AM tweet gets your restaurant in their thought process, morning is the prime time to post a picture of the lunch special of the day.

Another tactic is forming alliances with other businesses. Twitter is an excellent means of reaching out and creating symbiotic relationships with other establishments, where references and spotlights of one's business can be found on another establishment's Twitter account. The spirit of camaraderie is perceived positively and everyone involved will benefit. Finally, in the ever-changing status that is social media, never become comfortable. Changes and new trends are happening all the time, so stay apprised of them. The next wave of social media, especially for younger consumer bases, are Instagram and Vine, so businesses should try these social media platforms if not already doing so.

Much mention was made of Twitter, but one's presence on the medium should be regarded as only one component of a social media portfolio, which should also include Facebook, Linked In, Yelp, and Urbanspoon, along with the aforementioned Instagram and Vine. Ultimately, a business should use the ones that are the most applicable to them. Most businesses utilize Facebook and Twitter, and while there may be redundancy of content, it is vital to have presence on both. On all platforms, customer comments must be monitored. It is good practice to respond in an appropriate manner, as this contributes to the perceived rapport of the establishment. In-person positivity can also find itself online. Your loyal customers will give good reviews, so be sure to sincerely ask for them.

Mrs. Hamad was able to impart much insight on the matter of social media. The conversation held with Courtney was an exceptionally valuable one, as there were many useful takeaways the SD Soup Truck could definitely adopt in its social media methodologies. The practical knowledge that was divulged by Courtney reinforces the appeal of a staff person whose expertise on social media matches that of Courtney's. Having this level of proficiency in the operations of the food truck would only contribute to its enduring success.

(C. Hamad, personal communication, July 5, 2013)

Paul Gentry

Mr. Gentry was a very proper choice for his input due to his past experience in the restaurant industry. Mr. Gentry previously worked for fast food chain Chick-fil-A with the intent of opening his own Chick-fil-A restaurant, but ultimately decided against franchising due to the company's commitment requirements and entrepreneurial restrictions on investing in other businesses. (Paul's wife, another great friend from the PLNU MBA, is an entrepreneur herself, thus the reason for this decision.) Paul's assessment of the prospect for SD Soup Truck presents a compelling argument in favor of the mobile restaurant. It should be noted that Mr. Gentry's input was opportunely gathered at the flagship restaurant itself, where not only was lunch enjoyed, but Mr. Gentry was

able to gauge the food, the feel, and the atmosphere of the SD Soup Shoppe for himself and in person.

Paul immediately pointed out the ease of preparing Soup Shoppe's premier menu item, soup, on a truck. The panini sandwiches, which the restaurant is also well-known for, would be harder to assemble within the confines of a truck, where room for cooking and storage are of a limited amount. On a food truck, the space inside must be maximized to its fullest extent. It was then pondered whether the SD Soup Truck would ever be without its panini sandwiches and exclusively sell soups. The best businesses in the world, whether big or small, find success in excelling at a sole thing they are good at, their identified niche. According to *Good to Great* author Jim Collins (2001), this is called the hedgehog concept. Although the Soup Shoppe may be recognized for their award winning sandwiches, for SD Soup Truck, an observation would be for the mobile restaurant to concentrate on its namesake and focus on soup. Paul's multitude of reasons for this observation included soup's ability to be specific, easy, attainable, and it is food that can be made ahead of time. Considering what is needed to store, heat, and dispense soup, soup would certainly be a maximization of the limited space that is in a truck.

The discussion with Paul also explored the idea of quantity, more specifically when a restaurant runs out of a highly in-demand product. What

was once considered taboo in the industry is nowadays something that is revered, albeit for those who embrace the limited quantity concept in the right way. Paul shared the story of a well-known neighborhood bagel shop in Point Loma that closes as soon as their last bagel is sold. Instead of an uproar for more bagels or longer hours, the customers have adapted their patron habits to follow the pattern of the restaurant. Devotees know that if they want a bagel from the beloved shop, they need to get to the store early and line up before store opening if needed. Another similar example is Tony's Pizza Napoletana in San Francisco, ran by famous pizza chef Tony Gemignani. Tony's Pizza makes and sells just 73 of its fan favorite margarita pizza, and this is known by regulars and first-timers alike. If diners want a margarita pizza, they know they better get there before the 73rd one is sold. What may be frustrating to customers or odd to those spectating has turned into a commodity; it is now somewhat of a game or craze to get to the much desired item before it runs out. Limited quantity has become accepted by the buying public, and when done appropriately, this increases the notoriety of the restaurant. SD Soup Shoppe has acknowledged this idea, at one point the establishment enlisting the phrase "til the soup is gone" to describe their store hours. The same mindset could be employed by the SD Soup Truck and its followers – get to the soup truck before there is no more soup.

With soup deemed as the menu item the SD Soup Truck would

hypothetically center its efforts on, the question of the truck's success solely being based on soup was examined. To this, Paul promptly countered that other food of a hot nature, such as coffee, does well in sales and sells all year long. Other soup establishments, more notably those of an Asian cuisine (e.g. Japanese ramen, Vietnamese pho, etc.), experience year round success and never have a shortage of patrons, no matter if the weather is hot or cold. Even in a city like San Diego, a city of a warmer climate and with a rising foodie culture, no doubts were made of a soup food truck's ability to be successful. Given its mobility, the SD Soup Truck could also capitalize its earnings by pinpointing locations that would generate more soup revenues, such as in the cooler coastal areas of town.

Having previously worked for Chick-fil-A, Paul was able to draw from an experience where Chick-fil-A sent a mobile-ready version of its restaurant to sell food at an event. All 400 chicken sandwiches, among other items, were cooked and prepared in advance, meaning none of the food had to be made on site. Chick-fil-A's mobile restaurants average \$6,000-7,000 in sales per day, and find themselves growing in popularity, profits, and units. This is part of a growing trend where corporate chains are trying out their restaurants as food trucks, such as Carl's Jr., Taco Bell, Applebee's, Sizzler, Red Robin, and Tasti D-Lite. Like these brands, the backing of the original restaurant, SD Soup Shoppe, will serve to solidify the foundation for its offshoot. The SD Soup Truck would not have to

start from scratch. According to Paul, the camaraderie lines in the restaurant industry run deep, and this is something that is already observed in existence for the Soup Shoppe. Support for SD Soup Shoppe comes from consumers, residents, and other restaurants in the area and beyond North Park. It could very well be expected that the same support be shown to an opening of a restaurant under the Soup Shoppe umbrella. The restaurant industry is more than just business, it is a community built on rapport and relations. When one enters the community, it is differentiation and thoughtfulness that garners appreciation and respect. The SD Soup Shoppe has these things, has distinguished itself, and has set itself apart. Its food truck will undeniably be in the same consideration.

Mr. Gentry was a purposeful selection in discussing the possibility of a food truck venture with, as his great restaurant awareness supplied an analysis that showed the definite promise in opening the SD Soup Truck. The sound business advice he provided on having a specialty, creating buzz, and relying on reputation, are views to be regarded as esteemed recommendations the SD Soup Shoppe can factor into their decision making. While the conversation points with Paul are mere suggestions, there is much delight and anticipation that can be gathered from knowing there is abundant potential for this food truck.

(P. Gentry, personal communication, July 27, 2013)

Input From Colleagues Summary

Professors are not the only teachers, and besides having the finest ones, the PLNU MBA program also has exceedingly the best alumni and network of colleagues. My former classmates, including those not just limited to Mrs. Hamad and Mr. Gentry, have provided the guidance and wisdom that have been with me throughout my tenure in the program and in my life. The social media lesson given by Mrs. Hamad and the astute evaluation made by Mr. Gentry yielded much support to the SD Soup Shoppe and ensuing SD Soup Truck venture. Such feedback strengthens the case for the SD Soup Shoppe to undertake the mobile restaurant endeavor, and even provides an outline of steps that can be taken to do so. Thus far, an ample amount has been presented in favor of the SD Soup Truck, and it is with high hopes the SD Soup Shoppe seriously considers this proposition.

CHAPTER THREE

DESCRIBING THE ACTION

This section must be prefaced by the fact that all actions described in this section are entirely hypothetical and did not actually occur. While all forthcoming content has not taken place, SD Soup Truck is a venture that is currently in idea stage and as with any venture, the utmost in care, research, and due diligence would be carried out – such as the care, research, and due diligence contained within this Action Learning Handbook. Given my relationship to the company, being the sister of SD Soup Shoppe’s co-owner, I am utilizing my graduate education, business background, and overall curiosity to explore the SD Soup Truck venture in the same manner my sister and her business partner would, but with a PLNU MBA lens.

The who-what-where-when-why approach was used to describe the presumed action of the SD Soup Truck.

Who

- ❖ SD Soup Truck by SD Soup Shoppe
- ❖ Restaurant owners Stephanie Flores and Jeff Shinn
- ❖ Owners provide oversight – purchasing, public relations, day-to-day operations

- ❖ Food truck staff – manager, employee(s)
- ❖ Food truck staff employed under SD Soup Shoppe/SD Soup Truck umbrella, trained by SD Soup Shoppe or can originate at SD Soup Shoppe and later transition to SD Soup Truck
- ❖ Food truck staff responsible for prep/driving/set up/food service/clean-up
- ❖ Additional staff responsibility – social media (primarily responsible for SD Soup Truck social media, also contribute to SD Soup Shoppe social media)
- ❖ Besides standard food service procedures, staff needs to have overall awareness of food truck regulations (such as parking restrictions) and culture (such as prime selling location)
- ❖ Owner to accompany truck operations in introductory period of food truck, as staff become clear on owner expectations, owners will continue to oversee strategic aspects of food truck
- ❖ Food truck staff to report to owners on day-to-day basis

What

- ❖ SD Soup Truck, mobile version of SD Soup Shoppe
- ❖ Previously used food truck to be purchased and renovated to specific needs of brand and menu

- Interior – soup cookers/warmers, panini grills, prep counter, storage space for food/supplies, sinks, refrigerator, area for register
- Exterior will have similar scheme and feel as SD Soup Shoppe (wood, checkerboard pattern, same colors/lettering, logo done in same style
 - Possibilities – pictures of food, paintings/art that are in the SD Soup Shoppe, awards insignia
- Menu – chalkboard on side of truck, sidewalk sandwich sign
- SD Soup Truck exterior, interior, etc. will be per San Diego regulations found at www.sandiego.gov
- ❖ SD Soup Shoppe menu items served by SD Soup Truck will need to be determined
 - Options – soups only, soups and paninis a la carte, soup and panini combos, other menu items (salads, hors d'oeuvres), combinations of the aforementioned
 - Foresee SD Soup Truck selling soup/panini combo (top seller at SD Soup Shoppe)
 - Soups and/or paninis – entire selection, partial selection, or rotating selection will need to be determined

- ❖ Partial and rotating selection of soups and paninis likely
 - Partial selection is maximization of limited space
 - Rotating menu can be announced via social media, engage interest of public/followers/customer base
 - Succinct menu means less choices, could translate to faster service and more sales
 - SD Soup Truck menu is condensed, teaser version of SD Soup Shoppe menu
 - SD Soup Shoppe can also explore using SD Soup Truck to test out new/experimental menu items

- ❖ SD Soup Truck social media
 - Mobile version of restaurant will have same social media channels as original brick and mortar (Facebook, Twitter, Instagram), plus any other platforms that are of appropriate and optimal use for food truck
 - Communication, interaction, and creativity will be key for SD Soup Truck social media tone and style, SDSS should consider adopting similar approach to its social media as well
 - Frequency of contact and responsiveness will also need to be

examined

- Same effort can be applied to other platforms, such as Yelp
- Owners would likely enlist the services of www.sdsoupshoppe.com designer/developer for a website of similar look and feel for SD Soup Truck, a site that will especially need to be mobile-friendly (which is an interface the designer/developer specializes in)
 - Links between SD Soup Truck and SD Soup Shoppe will be on each other's group of channels

Where

- ❖ Many possible locations to choose from (see locations list on pages 24-25), trial and error expected with finding and choosing optimal location for SD Soup Truck
- ❖ Options: location that serves current customers (in proximity to North Park area), location that serves new customers/expands customer base (new areas in San Diego), or combination of both
- ❖ Additional location options, supplemental to day to day operations – food truck lots, events, etc.

- ❖ Commissary/stationary parking/home base location will be SD Soup Shoppe
 - Food truck hours will start (prep, stock, etc.) and end (clean, unload cash, etc.) at home base location
 - Food truck staff to receive strategic direction from/recap with owners (location, targets, etc.)
 - In event of double shift (possible dinner service) can return to home base between shifts
- ❖ Location, commissary, parking will be per San Diego regulations found at www.sandiego.gov
- ❖ Locations/schedule can be announced via social media

When

- ❖ No estimated target time for launch of SD Soup Truck, owners currently have another brick and mortar restaurant in development (The Barn, second venture separate from SD Soup Shoppe)
- ❖ Should SD Soup Shoppe decide to move forward with SD Soup Truck, proposed timeline of approximately four-six months from inception to launch

- Frame of reference: construction duration of SD Soup Shoppe was eight months, using this as basis for projection of four-six month timeline
- SD Soup Truck does not represent half of SD Soup Shoppe, but timeline is half of SD Soup Shoppe construction duration plus buffer of two months for timeline extensions that may occur
- Food truck is a smaller, compact version of brick and mortar restaurant, owners have prior experience and existing resources to draw from
- ❖ SD Soup Truck would likely focus its operations on the lunch rush, hours from 11 AM to 2 PM
 - Extended hours for staff to prep, clean up, etc., foresee two hours before and two hours after lunch rush
 - Lunch hours can be maintained during introductory period, eventually can explore longer hours (such as those similar to SD Soup Shoppe, ranges from 11 AM to 5 PM six days a week)
 - Since food truck is a mobile location, other time of day options such as dinner service and longer hours on weekends can be explored
 - Should SD Soup Truck participate in events, hours will be as needed to operate during events

- Ultimately, performance of food truck will dictate its optimal hours of operation

Why

- ❖ Relieve and alleviate the SD Soup Shoppe
- ❖ Supplement by providing another location option
- ❖ Expand the customer base
- ❖ Another source of sales/revenues/profits
- ❖ Serve as a bridge/preview towards SD Soup Shoppe's future aspiration of franchising and having multiple locations
- ❖ Grow the SD Soup Shoppe brand/reach/exposure

Describing the Action Summary

As previously mentioned, the content of this section is completely hypothetical and represents the scenario that would likely occur should the owners of SD Soup Shoppe enter into the venture of opening a food truck version of their brick and mortar restaurant.

As the who-what-where-when-why method demonstrates, there are numerous elements that are taken into account for the SD Soup Truck venture.

Who recognized the parties involved, from those existing to those that will need to be brought on board. What evaluated the look of the food truck, what it would sell, as well as its social media. Where and When gauged the location and schedule prospects, and Why finally wrapped all of the meaning together and stated the reasons for the SD Soup Truck. The variety of aspects may represent only the start of the planning, but it is clear that the more thorough the analysis, the better view of what is likely to happen.



SD Soup Truck mock-up is courtesy of Tim Borillo, web designer and developer for www.sdsoupshoppe.com. Mock-up is hypothetical and not official.

ASSESSING THE PROJECT

Financials for the food truck venture will be used to explain the assessment of the Action Learning Project.

First, a list of all possible expenses for the food truck was compiled. The expenses were divided into fixed and variable categories. Another category was formed for those costs that would be free for the venture.

❖ Fixed Costs

- Truck purchase
- Retrofitting
- Kitchen equipment
- Exterior design
- Permits/licensing/fees

❖ Variable Costs

- Personnel
- Food
- Kitchen/cooking supplies
- Paper goods
- Gas/oil

- Truck repairs/maintenance
 - Parking permits for events
 - Allowance for parking tickets
 - Credit card processing
 - Insurance
 - Miscellaneous
- ❖ Free Costs
- Market research – conducted by owners, references can be made to this Action Learning Handbook
 - Social media – done by owners, part of personnel duties
 - Website – continued service with freelance vendor, provided pro bono (freelance vendor happens to be significant other of Action Learning Handbook author)
 - Marketing/promotion/advertising materials – through current communication channels
 - Bookkeeping – continued service with freelance vendor, provided pro bono
 - Parking rental/depot – provided by SD Soup Shoppe
 - Kitchen rental/commissary – provided by SD Soup Shoppe

These expenditures represent typical outlays for starting and maintaining a food truck. The list was then entered into a spreadsheet and the cost and frequency for each expense was determined.

Fixed Costs

	<u>Amount</u>	
Truck Purchase	8,000	
Retrofitting/Kitchen Equipment	5,000	
Exterior Design	2,000	
Permits/Licensing/Fees		<u>Units Calculation</u>
County of SD MFF Fee	469	50 units per day
Food Handler Materials and Certification	9	6 days per week
Sellers Permit	<u>39</u>	<u>52 weeks per year</u>
Total Fixed Costs	15,517	15,600 units per year

Variable Costs

	<u>Amount</u>	<u>Frequency</u>	<u>Factor</u>	<u>Total</u>	<u>Per Unit Calculation</u>	
					15,600	units per year
Personnel	10	hourly	8 x 312	24,960	1.60	per unit
Food	990	weekly	52	51,480	3.30	per unit
Kitchen Supplies	200	semi-annual	2	400	0.03	per unit
Paper Goods	175	monthly	12	2,100	0.13	per unit
Gas	160	weekly	52	8,320	0.53	per unit
Truck Repairs/Maintenance	1,200	annual	1	1,200	0.08	per unit
Event Parking Permits	497	annual	1	497	0.03	per unit
Parking Tickets	350	annual	1	350	0.02	per unit

Credit Card Processing	7,800	annual	1	7,800	0.50	per unit
Insurance						
Liability Insurance	1,500	annual	1	1,500	0.10	per unit
Workers Compensation	3,000	annual	1	3,000	0.19	per unit
Allowance for Misc. Costs	150	monthly	12	<u>1,800</u>	<u>0.12</u>	per unit
Total Variable Costs				103,407	6.63	total variable cost per unit
Total Costs				<u>118,924</u>		

❖ Notes

- Truck Purchase – as opposed to truck rental, was determined that ownership would prefer to purchase rather than rent
- Retrofitting/Kitchen Equipment – previously used food truck would be purchased and retrofitted/upgraded as needed
- Permits/Licensing/Fees – as per County of San Diego Department of Environmental Health
- Personnel – one full-time staff (lunch rush hours plus prep time before/after, social media), six days a week
- Food, Kitchen Supplies, Paper Goods – as determined via Costco Business, one of SDSS's product vendors
- Gas – estimation for 40 gallon diesel tank

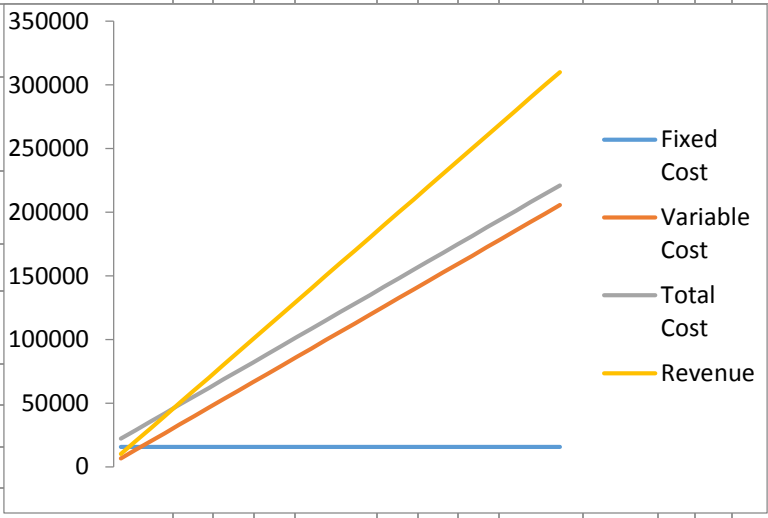
- Parking Tickets – even the most aware and careful food trucks incur such costs
- Credit Card Processing – continued service with Square (utilized by SDSS), percentage of sales and per transaction fees
- Insurance – as per State of California
- All figures are estimated and are for budgetary purposes only; future year statements will need to take inflation into account

Finally, the quantitative data was input into a Break-Even Analysis spreadsheet. The resulting break-even charts and graphs are as follows:

Break-Even Analysis				
Fixed Costs		Variable Unit Costs		
<i>Costs required to produce the first unit of a product.</i>		<i>Costs that vary directly with the production of one additional unit.</i>		
Definition	Cost	Definition	Cost	
Truck Purchase	8,000.00	Personnel	1.60	
Retrofitting/Kitchen Equip.	5,000.00	Food	3.30	
Exterior Design	2,000.00	Kitchen Supplies	0.03	
Permits/Licensing/Fees	517.00	Paper Goods	0.13	
		Gas	0.53	
		Truck Repairs/Maintenance	0.08	
		Event Parking Permits	0.03	
		Parking Tickets	0.02	
		Credit Card Processing	0.50	
		Insurance	0.29	
		Miscellaneous Costs	0.12	

Unit Selling Price:	10.00
<i>The amount of money charged to the customer for each unit of a product or service.</i>	
Expected Unit Sales:	15,600
<i>Number of units of the product projected to be sold over a specific period of time.</i>	
Break-Even Units:	4,604.45

Break-Even Analysis

Total Fixed Costs:	15,517.00	 <p>The graph shows four lines: Fixed Cost (blue horizontal line at 15,517), Variable Cost (orange line starting at 0 and increasing), Total Cost (grey line starting at 15,517 and increasing), and Revenue (yellow line starting at 0 and increasing). The break-even point is where Total Cost equals Revenue, at 4,604.45 units.</p>			
Total Variable Unit Costs:	6.63				
Expected Unit Sales:	15,600				
Price per Unit:	10.00				
Break Even Units:	4,604.45				
You will be making profit after 4,604.45 units.					
Units	Fixed Cost	Variable Cost	Total Cost	Revenue	Profit
1,000	15,517.00	6,630.00	22,147.00	10,000.00	-12,147.00
2,000	15,517.00	13,260.00	28,777.00	20,000.00	-8,777.00
3,000	15,517.00	19,890.00	35,407.00	30,000.00	-5,407.00
4,000	15,517.00	26,520.00	42,037.00	40,000.00	-2,037.00
5,000	15,517.00	33,150.00	48,667.00	50,000.00	1,333.00
6,000	15,517.00	39,780.00	55,297.00	60,000.00	4,703.00
7,000	15,517.00	46,410.00	61,927.00	70,000.00	8,073.00
8,000	15,517.00	53,040.00	68,557.00	80,000.00	11,443.00
9,000	15,517.00	59,670.00	75,187.00	90,000.00	14,813.00
10,000	15,517.00	66,300.00	81,817.00	100,000.00	18,183.00
15,000	15,517.00	99,450.00	114,967.00	150,000.00	35,033.00
20,000	15,517.00	132,600.00	148,117.00	200,000.00	51,883.00
30,000	15,517.00	198,900.00	214,417.00	300,000.00	85,583.00

The break-even point is the point at which a business's costs equals its revenues, and after which the business will begin to be profitable. As the above Break-Even Analysis shows, once the fixed costs, variable costs, and unit selling price components are considered, the break-even point is close to 4,604 units. Translated to in terms of time, with an estimation of 50 units at \$10 per unit being sold per day, the break-even point will be achieved in approximately 92 days, or a little over three months. As with any preliminary analysis, a number of factors can affect the calculation of the break-even point, such as changes or fluctuations in costs, unit selling price, and the number of units that are sold. Costs can be pinned down, the selling price may go up, or sales will be better than predicted. With the current forecast, it would take about three months for SD Soup Truck to become profitable, however continued sales beyond the break-even point and associated profits make for a promising and viable venture.

THE “WHAT NEXT” STAGE

What originally spawned the idea for this Action Learning Handbook was a conversation held with my sister, co-owner of SD Soup Shoppe. Early into the first year of their operation, SD Soup Shoppe was going through rapid growth, with many customers and orders flooding their location, supply, and staff. The owners quickly realized that their restaurant had difficulty being able to sustain the level of business they were experiencing, and thought of a possible solution to this problem. Many considerable options and potential routes to explore were suggested, such as extending their hours, opening a second brick and mortar location, and opening a food truck. What struck the most was the notion of the SD Soup Shoppe opening a second, mobile location of their popular restaurant, one that could supplement the lunchtime traffic while maintaining the influx of their growing customer base. Extended hours would only be a short term fix, an alternative the SD Soup Shoppe would eventually experiment with, and opening a second restaurant was a goal that would be very much down the road, an idea for the long term. A food truck would require not as much resources as opening a second brick and mortar location, and would promptly serve its purpose for the existing restaurant. Not only is the food truck possibility the best of both worlds, it makes sense as the ideal solution.

Hence, with SD Soup Shoppe's allowance, I was granted the opportunity to explore the process and viability of opening a food truck. All aspects of this Action Learning Handbook – organization history, environmental analysis, literature review, colleague input, action description, project assessment, next steps, and reflections – were all written using a careful examination of resources, business knowledge from education and experience, and observations from working at SD Soup Shoppe and having such proximity to the establishment. While the actions of this Handbook have not taken place, it is my hope that should SD Soup Shoppe ever start a food truck, this Handbook can be used as a basis for the venture, from inception to completion. It would be of great interest to see how close (or how far, though not likely) my predictions and calculations are from what would actually happen in reality.

Therefore, the initial next step would be for SD Soup Shoppe to carry out this food truck venture into fruition. The launch of a successful SD Soup Truck could act as a stepping stone to the hypothetical and subsequent next step of evaluating the restaurant's expansion landscape and strategy – namely, multiple locations. Whether those be more food trucks, more brick and mortar restaurants, possibly franchising, all are meant to be added to the growing umbrella that is the SD Soup Shoppe empire. The possibilities for the SD Soup Shoppe brand, reach, and exposure are theoretical (and endless).

REFLECTIONS AND CONCLUSIONS

The final section of this Action Learning Handbook is comprised of four parts, and is organized in a way where commentary is made on a variety of major contributing factors and interpretations of those topics. The reflection and conclusion of this Handbook comes to a close on a personal note, as was the character of the Action Learning Project as a whole for the author.

What I Learned About Myself

This Action Learning Handbook gave me the opportunity to examine a common problem in the world of small business and entrepreneurship. Entrepreneurs and business owners have a similar dream – that of success, growth, and passion. What makes entrepreneurs and business owners different from the rest of us is that they are dreamers who will work tirelessly to make their dream a reality. Much like the character and drive of an entrepreneur, this Handbook is the reality of a dream that started for me in 2008, when my MBA journey at Point Loma Nazarene University began.

While this Action Learning Project provided me the opportunity to look into and analyze the world of small business and entrepreneurship, little did I know that I would also be coming away with having triumphed over the most

challenging and altering experience of my lifetime so far. This final project (and the iterations of which) saw me through many life-changing events:

Professional – When I started the MBA program, I was an intern for the Finance department of the San Diego Workforce Partnership. I went through several career progressions while in the program, from Finance Intern to my first permanent position as Accounting Specialist (directly correlated with my growth while in the program), to my most meaningful position as Finance Analyst (a next step that was identified for me by my mentor, Emilia Gabriele, at the time when my MBA coursework had ended), to an extended leave of absence (a gut wrenching decision to not only breathe but also make much-needed headway on my thesis), to Sr. Business Process Analyst (a welcome break from finance), and eventually, my most prominent achievement, Finance Manager (peak of my seven-year tenure with the San Diego Workforce Partnership). All positions and professional experience have been with the same company. Then came the peaceful and proud decision to walk away from a company I had known my entire career, to finish something that would have not only professional but personal implications for me.

Personal – While in the program, I was in a long-term relationship that fell apart and brought my world down, only for my MBA to bring my world

right back up. Relationships have come and gone, all leading up to now finding myself in the one that I will be in for the rest of my life, with someone who has come alongside my journey, and without whom I would not have been able to reach this final point in my MBA.

Throughout the duration of this Handbook, few things remained the same, but there will always be the things that I will depend on and look to for my whole life – the never-ending love and support of my family, the constant guidance and perseverance from my Savior and Lord, and the resolute promise for the end of a chapter of my life, the effects of which will stay with me for many years to come.

Undoubtedly, I went through a transformation while going through graduate school and the final project for the MBA at Point Loma Nazarene University. On that fateful MBA Info Night on the main campus of the university, I knew I would be forever changed that first prayer (of many) that was led by Dean Schooling, sitting with those who would eventually become my graduate school teachers and colleagues. I so badly wanted to be a part of the experience when during my interview that same Dean looked me in the eye and told me that while I may be young, he would still advocate for me to the selection panel. I knew strategically that this school was the one for me, having come from a large public university for my Bachelor's, yearning for and being intrigued by the intimate and faith-based experience that Point Loma Nazarene

would offer. While a large university allowed me to be a hermit and fade into the background of the sea of students, I wanted to be a part of the PLNU MBA to challenge myself to excel, speak up, be known and not disappear, be extraordinary and not ordinary. And extraordinary it was – my graduate school experience was filled with extraordinary people, extraordinary events, and extraordinary learnings – all in both business and life.

As one of my mentors and former supervisors, Matthew Dohner, previously put it - "I don't know what's causing all these new great changes in you, but whatever it is, keep doing it."

I can most certainly and confidently say, that it was pursuing my MBA.

What I Learned About the Organization

In business school, we learn that companies go through life cycles. In my Entrepreneurship class with Professor Randy Ataide, I delivered a presentation that spoke to the beginning stages of starting a business, which is very much like having a child. In both scenarios, there are the fundamentals of commitment, preparation, setting a date, and delivery. In starting a business and having a child, nurturing is needed for the 'offspring' to be able to grow, and for every parent's ultimate desire, succeed. As amusing as these comparisons are, there is no refuting the merit in them. When Steph and Jeff opened the SD Soup Shoppe,

I witnessed the birth of their child. All the hard work and preparation that went into the launch of their business was undoubtedly a labor of love, and I could not be a prouder aunt. Very much like a child, their business has grown and will continue to grow, with much success so far and more to come.

As with any other business, the SD Soup Shoppe went through and continues to go through many changes in the attempt to secure its recipe for lasting success. In the past two years, modifications have been made to various areas such as the menu, pricing, staffing, and hours. There is no telling how many more adjustments the restaurant will make, but it is the hopes of this Handbook that with its momentum, SD Soup Shoppe will move towards the future this Handbook foresees for the thriving restaurant – more locations, surely one of those being a food truck.

As much as the example of a young business such as the Soup Shoppe demonstrates, established companies can go through as many changes, if not more. The San Diego Workforce Partnership, nonprofit workforce development agency and place where I worked for seven years, has been in operation for more than 30 years. As rooted and esteemed in the community the SDWP is, it has been going through its fair share of differences. The company is currently undergoing a complete culture shift, a shift initiated by the hiring of a new CEO. What was once a family-oriented and status quo nonprofit, has had to become a

results-oriented and continually improving business machine. As hard as it has been for the employees to have to take in all the changes, they persevere and press on for the mission and intent of the organization. That's the thing about companies – no matter how many sandwiches they want to sell or how many people they want placed in jobs, none of this can be accomplished without those who are driving it. What I learned about organizations, the ones that I have observed for this Handbook, and the one where I have spent my career, is that they are nothing without the people who encompass it. People are in the work they are in because not everyone can do it, whether it be start a restaurant or keep the vision of a nonprofit intact. Also, in the situations I have seen and been through, the old saying could not be truer – good people are hard to find. One thing I would add is, they are hard to leave too.

What I Learned About Management

The growth that I have been fortunate to have gone through in my career thus far has certainly given me a look into the window of management. Even before attaining my most recent and coveted role of Finance Manager, I definitely had my fair share of management lessons. As Finance Intern, I saw what it took to keep the leadership of the department running smoothly. As Accounting Specialist, my role grew in the accounting aspect of the finance

function, and I had objectives that I alone was responsible for. As Finance Analyst, I was looked to for providing a service to not only the department, but to the entire organization as well. There were new tasks I was expected to become proficient in, such as budgeting, reporting, and cost allocation, plus the analytical thinking that needed to be developed along with such new tasks. I also soon found out that these were not the only things I had to learn; becoming a Finance Analyst meant that I was now part of a finance analyst team. In my previous positions, I was autonomous for the most part and worked very much in a self-directed manner. Joining the finance analyst team was a completely new professional experience for me, where I depended on others and others depended on me. I had to carry my weight and prove myself to the other analysts. It was all new to me in the beginning of this position, but in my progression, I was able to find my way. In the three-year span I was Finance Analyst, I became skillful with the tasks at hand, my analytical thinking had developed, I carried my weight, and I proved myself to my teammates, my department, and to the entire organization. I had proven myself in a way where I rose from being the young novice to the strongest, most tenured member of the analyst team. (I have previously stated that the finance analyst position was the most meaningful one for me, and it is for these reasons.) I wanted to embody what it was to be a contributing member of a high-performing team, and this was

something I became immensely dedicated to. I took to heart what it was to be an analyst, and I passed this on to others, those whose position as a new analyst I formerly was in, as I became quite a capable Finance Analyst trainer as well. When I finally became Finance Manager, officially now overseeing the finance analysts, I continued in my pursuit of a high-performing team. It was another completely new professional experience, where I was no longer a peer, and needed to assert myself as a supervisor, while assuring my direct-reports that I could be looked to as a leader. As this is the latest advancement of my career, I will continue to learn what it is to be a manager. As much as I have evolved, and with the long road of learning management ahead of me, I hope to take in as many lessons as I can (I have been told by my mentors and supervisors that the lessons never stop).

Before assuming the role of Finance Manager, I briefly held a position of Senior Business Process Analyst, where I had to dabble in the areas of human resources and operations. While performing the HR function for the organization, I acquired an assistant, whom I directly oversaw and provided direction to. This individual always referred to me as their manager, and while I did not officially have this title, this was the most rewarding managerial encounter to date. In this experience, I learned that management is built upon mutual respect, empowerment, and engagement. Along with the themes of my

finance experience, where I discovered management to be very much the management of objectives, timelines, priorities, teammates, camaraderie, direct-reports, and perceptions, I feel that I have the foundation for my take on management that I am eager to continue to build upon.

In the management of a thesis/business plan/action learning handbook, I learned that there were decisions that had to be made. A few decisions changed the project entirely (see next section), others had major life implications (walking away from my work to devote myself to finishing). Needless to say, these were decisions that had to be well thought through and were made with a heavy heart. Besides objectives, timelines, and priorities, my thesis required that I remained empowered and engaged, the foundation for not just management, but for success and completion as well.

In the management of a project that would be the culmination of my MBA experience, I was tested in the realm of decision-making, and while making these decisions may have been hard, they were necessary, and done with much calculation and care. I would imagine that is exactly what management to be.

What I Might Do Differently and Why (Not)

For the conclusion of my MBA, the first idea of my final project was actually the business plan option. I had intended for a writing assignment in my

Organizational Behavior class with Dr. Schooling to be the starting point; after all, this was the intention of the assignment. I was taken aback by the recent epidemic of foreclosure pets that was occurring all over the country, and I was someone who wanted to do something about it. I happened to be going through the MBA program during an interesting time in our nation's economy – the turmoil and uncertainty of recession. With so many Americans experiencing difficulties in home ownership and foreclosures becoming rampant, the pets were often times the hardest hit members of the family. Pets were finding themselves abandoned and left behind, and being the avid animal-lover that I am (I have two dogs myself), I wanted to set out and start an organization that would seek to keep these families together. My writing assignment was about a potential nonprofit, called No Dog Left Behind, that would take advantage of the various grants that had sprung up specifically for the foreclosure pet crises, and provide assistance to those families in need. Having worked at a nonprofit, I felt that this grassroots and optimistic organization was one that I could write into full realization. My hope was that this topic would blossom into a complete business plan, however, an iteration of this hope found itself as a topic for another assignment, the final for my Business Communication course. This time, it was a pet version of a food bank, called Furry Family, which would provide free pet food for families in need. Very much in the same spirit of animal-loving

and animal welfare, these assignments were unfortunately the furthest I was able to take this theme of a project. Despite the setbacks, I will always see and am determined to have involvement in some sort of animal welfare organization in my future.

The next form of my final project was the one that would take the most effort, dedication, and fight from me. It was a thesis about the need for the nonprofit sector to consider candidates from Generation Y for their leadership positions, and how the match of the nonprofit industry and employees from Generation Y was such a viable one. As nonprofits were needing to prepare for filling their next wave of leadership, Generation Y was a unique case in that not only was it going to become the largest component of the upcoming workforce, but it would be a workforce unlike any that had preceded it. The match of the nonprofit sector and Generation Y was so right because Generation Y looked for things in their career that the nonprofit career path could readily offer. Having known a little about workforce needs (being employed in the workforce development industry), this thesis topic was essentially the story of my life – being a Generation Y member, eager to not only move up in the ranks of her nonprofit, but moreover have an impact and leave a lasting mark on an organization that has an effect on the community (truly a characteristic of a genuine Generation Y member). I had devoted much time, energy, and research

towards this topic; I had looked up countless resources, gathered numerous articles, and had explained it to the many inquiries I had received over the two-year span I endured with this subject. It was during this two-year span that the thesis took a back seat to my skyrocketing career, and when I found myself at the start of the leave of absence that I had taken to make time for the project, I was stagnant. The subject no longer compelled me the way that it used to, and I was exhausted of it. The final blow was a TED Talk I had seen from Charity Defense Council's Dan Pallotta, titled "The Way We Think About Charity is Dead Wrong" (2013). Dan's riveting presentation was about how American culture was hampering the growth and success of the nonprofit sector as a whole. For the sector to be able to have the dramatic impact it had the potential to, American culture needed to change its long-standing mentality. To put in basic terms, it was an uphill battle the industry was facing. As much as I had persevered for two years with this contentious subject, one notion from the TED Talk exactly encapsulates the futility of what I had aimed to write about: how can a nonprofit possibly compete with a \$400,000 annual corporate salary of a CEO, when a nonprofit had only \$84,000 to offer the same kind of talent? While my research dictated that I could argue Generation Y looked for things in their career besides monetary benefit, there is no denying this staggering difference. Hence, the

uphill battle. While I will never give up on the fight to champion the causes and importance of nonprofits, this topic was no longer one that I could see to the end.

There was a silver lining that came from realizing that the nonprofit sector-Generation Y topic was not the subject that I could continue to write about. In reconsidering the business plan option for my final project, combined with the fateful and previously documented conversation had with my sister, it was as if a new direction had fallen into my lap. In my spiritual journey (which had blossomed while at PLNU), I know that nothing is coincidence and everything is for a reason and part of God's plan. After reconvening with my advisor José Munoz, and receiving permission from my sister and her boyfriend, I embarked upon the Action Learning Handbook that you have before you. While it may have taken coming to this point five years after beginning my long thesis expedition, all the trial and tribulation to finally find the focus of my project that would captivate and engross me was completely worth it.

There is a common theme throughout the arduous thesis path that I have taken – I was going to write about something very personal to me, whether it was my love of animals, my career story, or a family business. As much as a challenging and drawn-out process writing my thesis, changing to an action learning handbook, and finishing my Master of Business Administration (with a concentration in Organizational Leadership) has been, I would change not a

single thing about my final product or the road to reaching this destination. As previously stated, I learned more than I could have ever asked for, an immense amount about myself and about business and life, and that has made this experience all the more wonderful.

Thank you for sharing in this truly special experience with me.

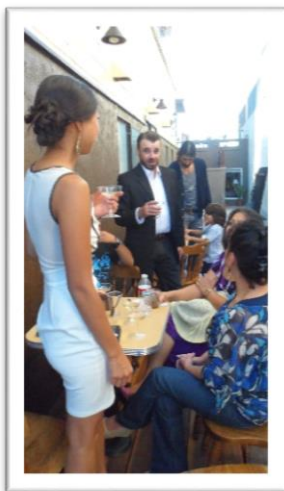
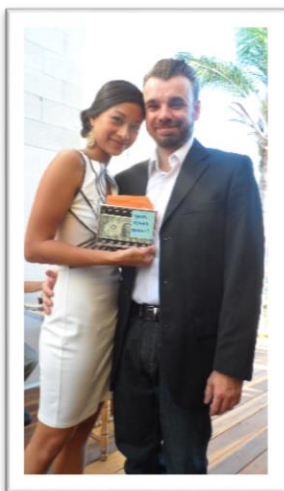
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March 2015



Scenes from the Grand Opening Party of the SD Soup Shoppe, October 2012

It is the hopes of this Action Learning Handbook that there will be one for the SD Soup

Truck as well!

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