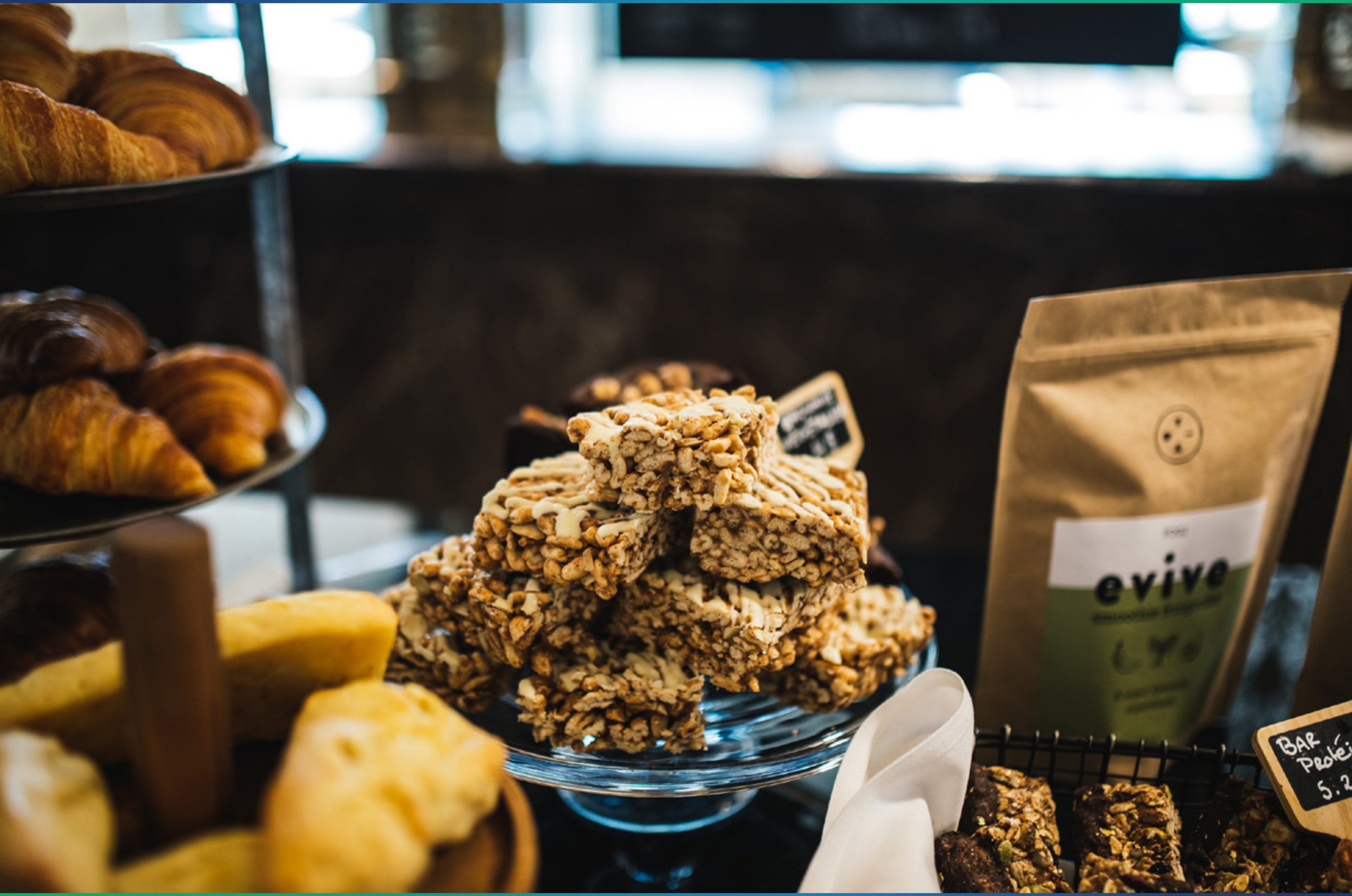
GUIDE ON FOOD MANUFACTURING ENTREPRENEURSHIP



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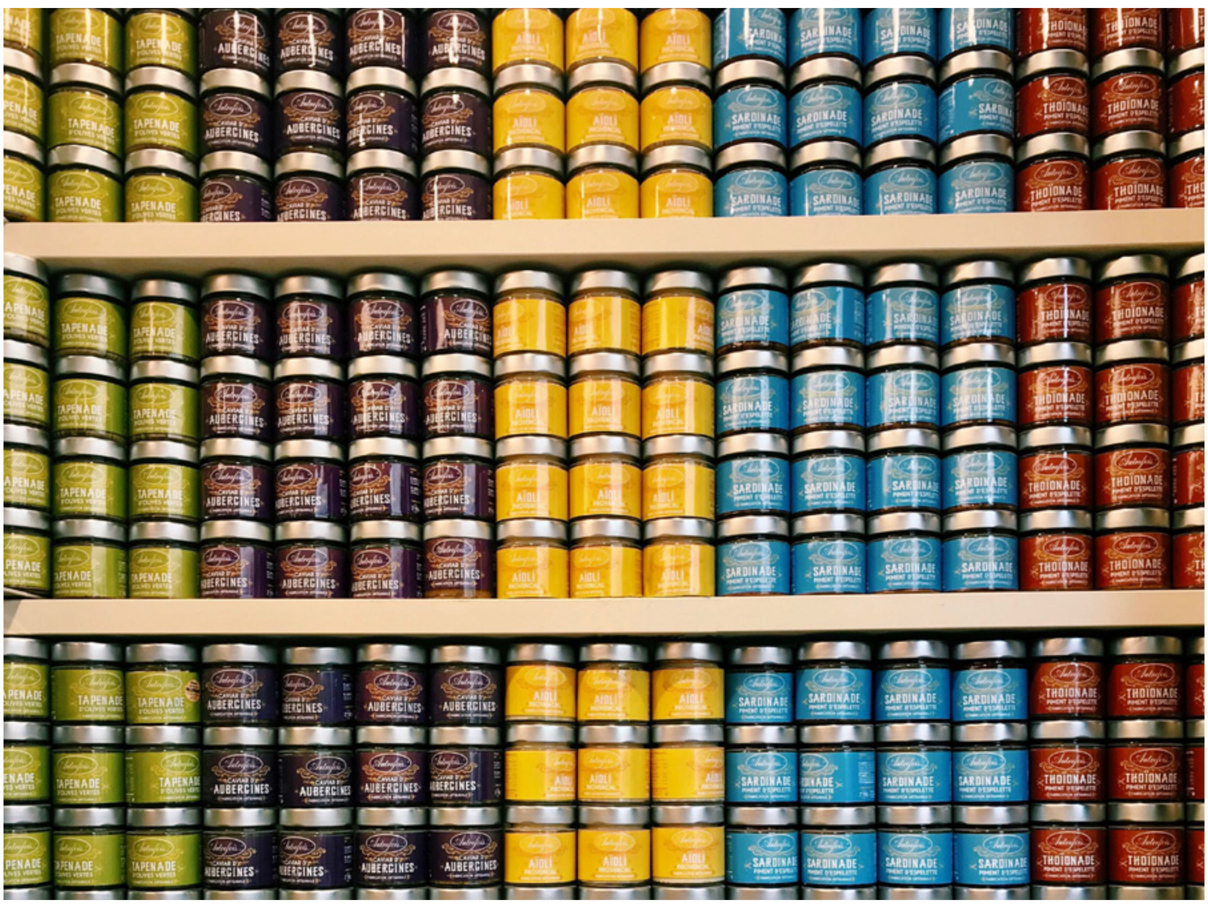
SO YOU WANT TO START A PACKAGED FOOD / FOOD MANUFACTURING BUSINESS?

Maybe you walked through your local grocery store and know exactly what they're missing. Maybe you know of a lucrative product category that's experiencing growth. Or maybe you just like food — after all, everyone eats, so it must be a good market, right? Whatever brings you here, welcome to the exciting world of food business entrepreneurship!

There are a few things we should get out of the way now. Recipes cannot be patented and healthy margins will be difficult to achieve because of high product and distribution costs. What does this mean? It means you should be realistic about growth, focus on your unit economics, and know your business plan. These words of caution are primarily to disavow you of any belief that you should expect multi-million dollar funding rounds before releasing a product, as you might see in other industries.[1]



1 With the exception of food tech, such as lab-based meat, which can be patented and projects exponential growth, therefore attracting investors before commercialization

That said, packaged food businesses are exciting, tasty places to operate as an entrepreneur. They present the opportunity to introduce people to a new flavor, culture, or type of food, and your product has an effect (however small at first) on agriculture and farm labor through its supply chain. There is something intimate about food — sharing a meal with family and friends — that your product represents, and when people invite you to their table they let you into this fold.

What is your product going to represent to your customers? Who are they? You should get to know them intimately through discussions, focus groups, surveys, and community outreach. Understand what they're looking for and why they value your product. In the beginning, your work is to determine the product-market fit and articulate your value proposition. Once you know your value proposition, from competition. Your salsa isn't just better tasting, but uses higher quality ingredients, communicates a message that resonates with consumers, and is healthier. Taken together, these factors make your product much harder to imitate. Once you have a product (or product idea) that resonates, the challenge is getting out into the world. So, how do you position your product for your customers?

Price

Consumers are price sensitive, especially at the grocery store. Of course, there are exceptions, like these $50 strawberries, but for the average consumer — and especially at supermarkets — price is a key driver in purchasing decisions. Imagine yourself at your local store, looking at ready-to-eat soups. There are the cans of soup for $2.50, slightly nicer looking cans for $3.50, and glass jars of soup for $6. What would make you choose the $6 soup instead of the cheaper ones?

If your product will cost more than comparable products, you need to demonstrate value to the consumer that they are willing to pay for. Maybe your product seems more authentic or promises a certain lifestyle. You can test consumers' willingness to pay through surveys and by using tools like MTurk, which allows you to collect hundreds of responses in a matter of hours. If consumers don't get at least as much value from your product as it costs them at the store, they won't buy it.

Proximity

No matter how delicious, tantalizing, and revolutionary your product, consumers won't buy it unless they know about it and can easily access it. Since there are so many easily accessible food items at the local grocery store, there is little incentive for consumers to go out of their way for most new products. And unlike when buying appliances, consumers are not going to put in significant effort reading reviews and doing comparison shopping to decide on which soup to buy. You're automatically out of consideration if you aren't on the shelf at their store. If you're doing ecommerce, you face the same problem — consumers need to see your brand in search results and advertisements or they won't know it's an option.

Taste

Let's assume that you made consumers aware of your product, were on sale somewhere they shopped, and earned some initial customers — congratulations! But consumables are a recurring business. Once you have won the battle of getting into consumers' carts, you need to convince them to come back again and again. How do you do this? Taste. Above all else, consumers want tasty food. You can produce the healthiest, most sustainable product ever made, but if it tastes like carpet you won't have recurring business. When they try your product, customers expect incredible flavors, textures, and aromas. If your product falls short, just like a recipe that turns out bland, they won't look back.

If you get price, proximity, and taste right, you have much to look forward to. Customers will make your product a recurring staple, and introduce it to their friends. You might even get them to champion it at local grocers or their workplace. But this begs the question — what is your goal in starting a packaged food business?

LONG TERM GOALS

We mentioned above that food products have marginal costs and require distribution (not to mention some of your products will expire). This makes it relatively expensive to get into the hands of your customers. It also means that you will probably expand from a few select markets to more widespread distribution as your operation scales. At some point, you'll need to think about what to do with your business. We believe there are two main ways to approach this, and many shades of gray in between.

One option is to keep your business in the family. You continue to scale the business without selling ownership to other investors. This allows you to control its growth and product offerings. Eventually, you will be able to pass the business down to your children. In order to remain relevant as consumer tastes change, you may need to rebrand and reinvent yourself every few years. This isn't impossible, but getting it right time and again is challenging. And if you don't accept outside capital, every rebrand represents a major risk to the longevity of the business.

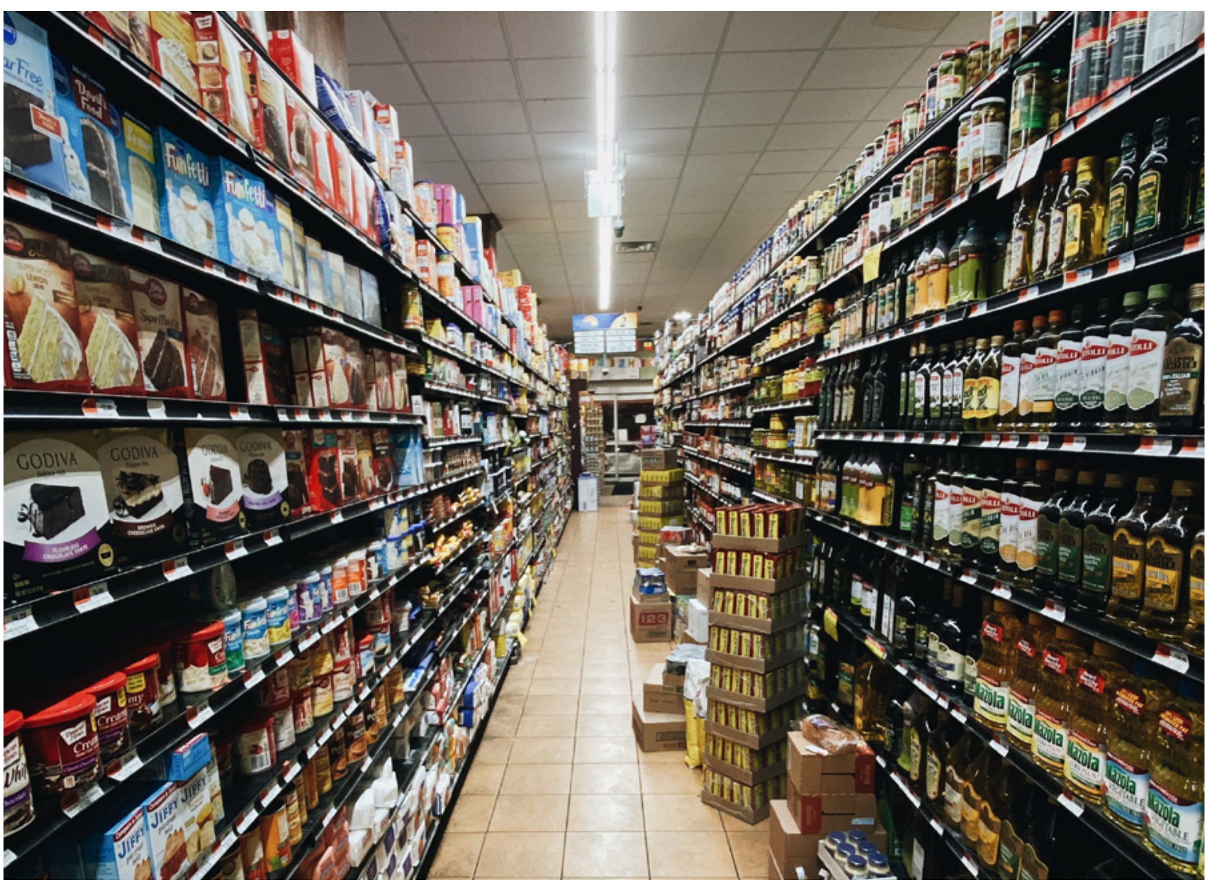
Another option is to build your brand to sell it. There are a handful of large food CPG companies that own many of the brands on store shelves and several more that specialize in certain product categories. Companies like Pepsico and General Mills are incredibly efficient at sourcing ingredients and scaling businesses to a national level. If you build your small brand and demonstrate traction, these larger companies might be interested in buying you out. And since they have their own supply contracts and production facilities, they are more interested in your brand and how much revenue you generate (and have the potential to generate) than your profitability at this early stage.

You can also pursue other avenues in the middle. For example, you could accept capital from angel investors that share your values and are looking for long-term accretive growth strategies, leaving you in control for decades or longer while also acknowledging this won't always be a family business.

Whichever way you go, having a clear vision for your brand is critical. It informs how quickly you grow and scale, and how you position yourself in the market. With these initial thoughts in mind, welcome to packaged food entrepreneurship!

SELECTING YOUR SALES CHANNEL

One of the first decisions you should make, after deciding to pursue a food startup, is how you will sell your products. The two largest sales channels where consumers will seek out your product are online and retail sales (often, you may choose to pursue both). Which of these two sales channels you prioritize will affect your design, marketing, pricing, and distribution strategies; so, it's important to have an idea of how you plan to distribute and scale your business early on in the process. Foodservice is a third channel you might pursue, which can include businesses, universities, and hospitals, to name a few.



ECOMMERCE SALES

eCommerce sales means selling through online marketplaces such as Thrivemarket.com or Amazon.com and your company's website, where consumers familiar with your brand can buy your product directly. By choosing this approach, you immediately face a challenge - making consumers aware of your existence. Unlike at a grocery store, where brands compete for consumers' attention with bright packaging and flashy displays, you have no guarantee that customers will even walk past your display online. The cliche "if you build it, they will come" does not apply to online retail.

As an online retailer, you need to develop a distinct brand that works across media platforms. You will inevitably run advertisements — likely online through social media and maybe even with paid sponsorships and influencers — and those ads need to attract consumers to one of your sales platforms. Your online identity thus is critical, because that is how customers will engage with and come to understand your brand. Having a consistent brand style and voice through your ads, website, and communications matters.

If you choose to sell through third-party online retailers like Thrive Market or Amazon, you also face a new challenge — the virtual shelf. This is a different challenge than winning consumer attention on physical store shelves. Each item online gets the same amount of display space, but consumers don't scroll endlessly through every page of grocery items online. They enter keywords or look at recommended product categories based on their dietary preferences and purchasing habits. Your product must be familiar enough to rise to the top of consumer search results. And if your product is one of the top 15 items that consumers browse, you need to convince them to click through to your product page and ultimately add it to their cart.

How you sell online will also affect your distribution and pricing. Third-party retailers often have their own distribution facilities, which they expect you to send products to so that customers' orders can be fulfilled all together and shipped as one. They also expect wholesale (or below wholesale) pricing so that they can earn money for the service of creating an online marketplace. Instead, if you sell through your own website, you will only have to pay for direct shipping to the customer and any fulfillment services you use (the alternative being self-fulfillment where you package and ship directly from your home or office). Of course, shipping to consumers isn't free, so you will need to think through your shipping costs (do you offer free shipping, and include those costs in the cost of your product, or do you charge shipping on top of product costs?), and you should strive to keep your per-unit cost comparable to retail and other online sales channels, aligning your cost to your product value proposition.

RETAIL SALES

If you prioritize retail sales — that is, grocery or specialty foods stores — you face different challenges. Retailers typically have several requirements to get into their stores. Smaller retailers and specialty stores may be more open to trying new products, but if your product doesn't move off store shelves quickly enough they will unhesitatingly cut it. (Note: once you have been cut from a retailer, it is much harder to return). Selling directly to smaller retail stores can be a good way to learn how your product moves off the shelf, and if you can conduct sampling and surveys at these stores, you can learn quite a bit from your customers. However, selling into stores individually can be a lot of work for more limited reach.

Larger retailers often require that you work with specific distributors if you want to be on their shelves. Those distributors — that is, facilities that aggregate and then ship products to stores on trucks — have limited space, and only accept new product accounts that they expect to perform well. They may require a commitment from a key account (such as a regional chain) to onboard your brand. Larger retailers may also require third-party certification of your production process, as an extra measure of consumer (and liability) protection. Even once you have met their requirements, virtually all large retailers will only consider new products at certain times of the year; if you miss this window, you need to wait until the next cycle, which could be a year out. Understanding the review schedules for new products at major retailers you are trying to enter is critical to your ability to plan. Distributors and retailers also often have strict requirements on order size; they expect you to be able to produce enough product to stock the shelves of several stores at once. If it doesn't move, they will cut back their orders; but if your product does move, they will ask for higher quantities and you need to be prepared to fulfill these demands or face penalties and fees.

One way to get in front of many distributors and retailers is to attend a trade show, such as Expo West or the Fancy Foods Show. These multi-day events attract thousands of manufacturers, distributors, retailers, and consultants all interested in new food products. Some of the biggest names in retail will turn their badges around so you don't know who they are. While attending these shows is a great way to spread word about your business, they can be expensive, so you should have a plan for how to capitalize on your time there.

At retail, you also face the issue of attracting customers — this time on the physical shelf. The average grocery store has over 20,000 SKUs, and consumers look at any given product for a matter of seconds. Your packaging is your primary advertisement at the retail level, so you should design it to attract the consumer eye and entice them to pick it up. You also must think strategically about how it will display on the shelf. Can it stand upright, creating a larger billboard to attract customers? If you are selling bars, how does the box accentuate the bar's individual packaging? Where in the store does your product appear? Do you want your Thai inspired hot sauce in the Asian Foods section or in the Condiments aisle with other hot sauces? (Note the complex racism present in ethnic food aisles here). How high on the shelf do you want your product to appear? Often, retailers charge extra for prime shelf space. In addition to your product display, you can also conduct sampling or taste tests in certain stores, which gives you another avenue to increase product awareness and connect directly with potential customers.

Retailers also expect certain concessions to carry your product. It's not uncommon for them to ask for a free case of each product, with the idea that it helps build initial traction with consumers. Retailers also expect to pass the cost of certain promotions onto you and will require you to bear the cost of certain promotions every year. And if you are going to have any product displays or sample your products at retailers, those are additional costs you as a manufacturer will have to pay (and sampling costs can be expensive, with the cost of the product, space, design elements, and staff all adding up).

Often, food manufacturers will hire brokers when they pursue a retail sales channel. Brokers will promote your product to supermarkets and distributors and help get you into stores. They also can visit stores where your product is sold to both make sure it is being displayed appropriately and to make recommendations on how to improve traction. Some retailers even require you to use a broker in order to get into their stores. Of course, none of this is free. Brokers, distributors, and retailers all take a percentage of your sales (more on this in unit economics).

If all of this sounds like a lot of hassle, there is another retail option: do it yourself. You could set up a storefront in a major market like NYC to promote your brand and sell your product. You could even do this for a limited time as a popup store. If you don't envision an entire store, you could collaborate with partner brands if you have the same target customers and your brand identities work well together. A smaller scale option is to attend farmers markets, where you can connect directly with consumers and sample your products.

Finally, a word of caution. Be careful with small distributors. They may initially be willing to take your product, but then you may not get paid. Or they may offer discounts to retailers that you haven't authorized and try charging those back to you. Small distributors may even go out of business without paying your tab. Sure, you could try legal action, but it's likely to take more time, money, and effort than it's worth (of course — consult a lawyer if you think it may be worth it).

FOODSERVICE

Another sales channel you might consider is foodservice. In pursuing this sales channel, you work with certain distributors who specialize in foodservice. For example, a university may have a convenience store for undergrads where packaged foods can be bought using dining hall points/dollars. You could get part of that with your product, but only if you're there. Other foodservice distribution occurs in hospitals, at airports, to jails/prisons, and to private businesses who offer snacks in their breakroom. If you pursue the foodservice channel you will still need to work with distributors and should heed the many cautions mentioned above, but you may find more flexibility and openness from the facility than you would from a larger grocery chain.

Whether you choose to pursue online or retail sales channels, knowing your plan early on will help you prioritize your work as you build your brand, pricing, and operations.

CREATING A LEGAL ENTITY

This is not legal advice

Sooner rather than later, as a business you need to establish yourself as a legal entity. This marks a major milestone! Only once your company legally exists can you pursue licensing to produce and sell your product. It is also a good idea to incorporate so that you can enter into contracts and nondisclosure agreements with designers, food labs, and other contractors you might encounter early on in your development process. Forming a corporate entity will also grant you protection from some legal liability.

Deciding what form of legal entity to take is a significant decision. Most food companies exist as either an LLC or a corporation. Both of these structures allow you to pursue everything you need to get on store shelves, but they have notable differences. We break down some of the differences below, but you should talk to legal and tax advisors as you make this decision.

As an LLC, partners (you and your co-founders) receive membership interests in the company that are synonymous with shares in a corporation. LLCs are not formally recognized by the IRS for tax purposes, so you must opt into tax treatment either as a passthrough entity or as a corporation; by default, the IRS will treat your LLC as a passthrough entity. As a passthrough, profits/losses for the year are allocated to the LLC's owners, to be included on your individual tax returns. If you choose to be taxed as a corporation, your company will file its own returns. Note that corporations face double taxation, meaning that as a corporation you pay taxes and profits distributed as investment income to shareholders get taxed as well. LLCs are typically easier and cheaper to establish than corporations. While increasingly common in the startup space, LLCs are slightly less common in financing arrangements and some investors might prefer a C-corp structure.

As a corporation, ownership is determined by stock holdings in the company. When you form your corporation, you determine how many shares to issue and to whom. This structure is recognized by the IRS, so you file taxes as a corporation, and face the same issue of double taxation mentioned above. If you choose this approach, you should work with a lawyer to file an 83(b) election to avoid an unpleasant tax burden later on as your shares appreciate in value.

Depending on where you incorporate, you may also have the option to become a low-profit limited liability company (L3C) or a benefit corporation. An L3C functions like an LLC but with additional requirements to communicate and pursue a social mission, while a benefit corporation is like a corporation but also with additional mission-based requirements. These legal structures allow you to embed your social mission into your company's DNA, which can be attractive to customers, employees, and investors. They also may offer legal cover from shareholder primacy (the idea that you must pursue profits above all else), although this is a developing field in law. Each state has its own rules governing which legal entities are permitted, so it is worth considering this decision in hand with where you choose to incorporate.

If, months or years after you incorporate, you realize you want to change from an LLC to a C-corp, this is possible for additional fees. Each state has its own rules and regulations regarding reincorporation and asset transfer, and if you are reincorporating from one state to another you need to make sure both states allow for the reincorporation process you are pursuing. Since reincorporation involves additional costs and complexity, you should do what you can to make an informed decision that will work for your company over the long run.

Beyond choosing a legal entity, you also need to decide where to incorporate. Many companies choose to incorporate in Delaware because Delaware's Division of Corporations is highly professionalized and because so much case law has been established that Delaware companies perceive regulatory stability (this means your corporate lawyers will know exactly how the law works and you'll have few surprises). Another logical choice is to incorporate where you live. If you incorporate in a state other than where you (and your employees) reside and operate the business, you will need to register in those states as well.

What you can do before incorporating:

- **Define product-market fit**
- **Understand the customer**
- **Try making your product at home and with friends**

What you should know before you incorporate:

- **What structure you want to take**
- **Where you want to incorporate**
- **Your company name**

BRANDING AND DESIGN

Whatever product you have in mind, it will depend on a strong, consistent brand that connects with your customers in order to generate traction in the marketplace. Ultimately, most foods can be replicated, so what distributors, retailers, and customers are buying into is your brand. Maybe you're approaching the market from a new perspective, or using healthier and more sustainable ingredients — or both — whatever it is, you need to convey this. Branding and design go hand in hand.

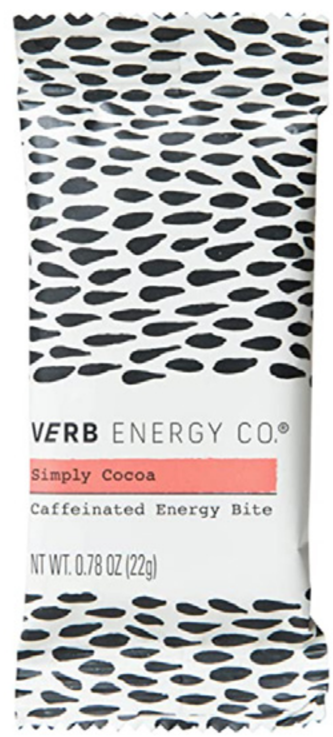
Your brand is, broadly, how you are perceived. This principle applies across channels, so you need to think about brand consistency — that is, having similar designs, colors, fonts, and brand voice across your platforms. Are you irreverent and snarky on your packaging? That should carry through to social media, advertisements, and even your interactions with customers. To help formalize your brand, and keep things consistent, you can create a style guide. Style guides provide the specific colors, fonts, lines, and design principles you use in your brand. This document can even have examples of good and bad design and communication. Ideally, you would hire the same designer to create your style guide and initial packaging designs, but if you need to prioritize, having a style guide is a good place to start.

When it comes to design, our best advice is to hire a designer. You can pay $5 for a logo online, but chances are it won't be very unique or interesting. You could also pay $100,000 to a large media agency and have them produce your style guide, packaging designs, website, and whatever else (t-shirts anyone?). Somewhere in between is probably best. There are many talented independent designers who can create a style guide and packaging mockups for $15,000-

$25,000, and if you find a new, aspiring designer, you can often get a better deal. If you don't have this kind of cash laying around (and let's face it - not many do), you can always offer innovative financing. For example, Honest Tea offered their first designer $4,000 up front, plus a fraction of a cent for bottles 1M-10M. This allowed Honest Tea to conserve cash up front, and defer additional payments until after they'd sold 1 million bottles — by which time they would be facing the more exciting challenge of scaling.

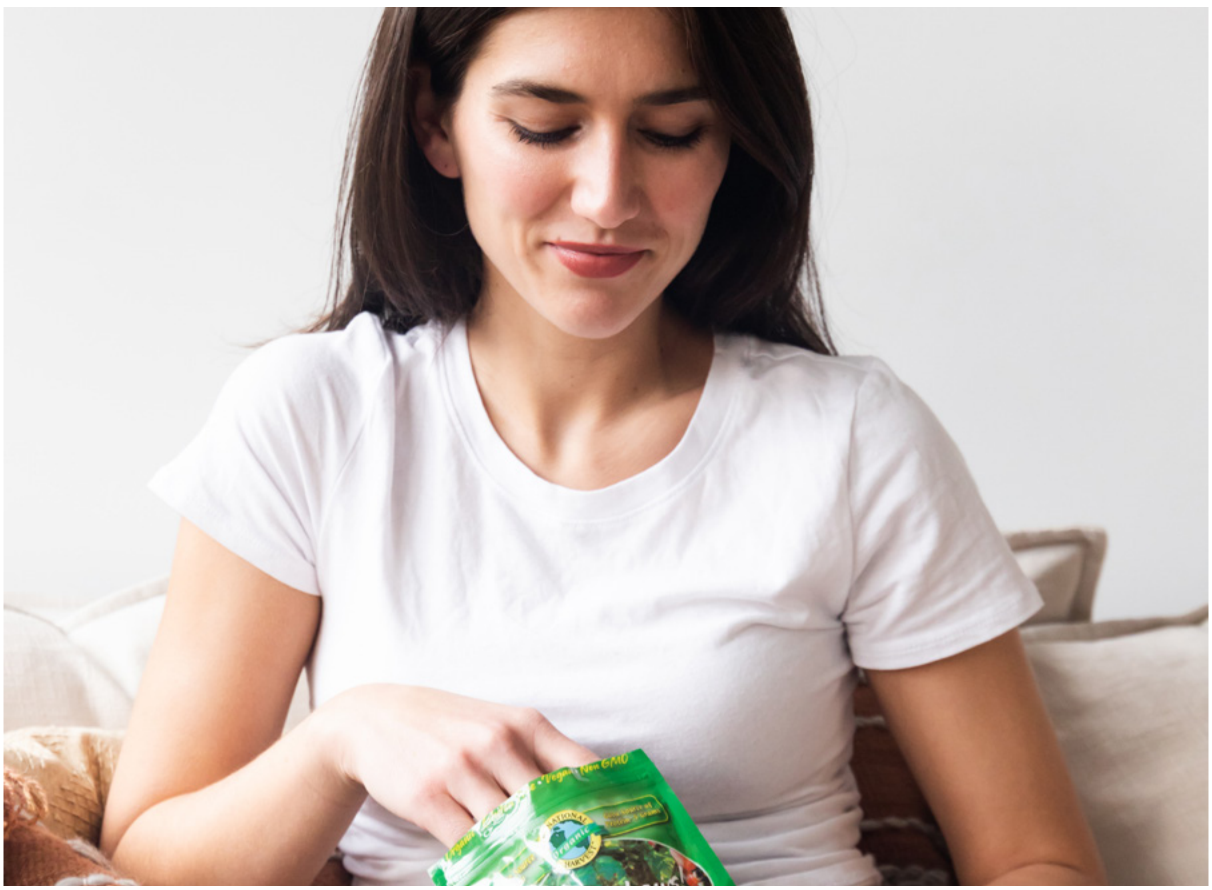
One thing you can do to set up a designer for success is to create a design brief. Design briefs collate your ideas on what you want the brand to look like. They don't need to be polished or fancy. For example, you can copy in a tea carton if you like its design and describe what you like about it specifically (does it use a certain style, or convey information in a certain way, or have angles you like?). You can also include designs you don't like in the design brief, which also helps designers know what to avoid. Ultimately, your goal should be to convey the brand feel and specific stylistic elements you like so that you designer can run with this information and come back with something spectacular.

Here's an example we think illustrates our point well. On the left is the original design the company made themselves. On the right, they hired a designer. You can see the difference in appearance and how the right one looks more polished, professional, and interesting:



MARKETING STRATEGY

Once you have identified your market, know your value proposition, decided which sales channel you want to prioritize, and have a style guide, you probably feel pretty good about your venture. Of course, you need your product (more on that later), and you need customers. Marketing is the process of attracting customers to your brand. As a new company, your marketing will evolve dramatically from your first 100 customers to your first 1,000 and then to your first 10,000+. Each magnitude of growth represents its own opportunities and challenges.



FIRST 100

Your first 100 customers are early adopters. They found your brand, were willing to pay money to try it out, and if you've done your homework, they'll keep coming back. These first 100 customers are gold. You can reach out and talk to them — literally pick up the phone or send them a text — and hear what they think of your product. They'll usually love that you care enough to reach out, but of course respect anyone who would rather not chat. You should dive deep into these first 100 customers' opinions to understand what they like and dislike about your product. You can use this information to hone your messaging and groups you target through marketing, and you can keep notes on possible product changes for the future.

FIRST 1,000

Once you've gained more traction and reached around 1,000 customers, it's not as easy to personally connect with each one. But you can — and should — still seek out their thoughts and feedback from surveys. This group is still part of your early adopters, so their feedback is equally valuable, and since you now have more total customers, you can make more data-driven decisions based on their responses.

10,000+

Once you get up to 10,000+, you're moving into exciting new territory and probably trying to scale your operation. You'll be looking at hiring employees, and you should be working to build an organization on top of the brand that you created. This is hard — and frankly more than this guide can get into for now — but you've graduated to another phase and that's progress.

CUSTOMER ACQUISITION COSTS & CUSTOMER LIFETIME VALUE

These two concepts are critical to your ability to accurately project growth and devise your marketing strategy:

- Customer Acquisition Cost is how much it costs you to get this customer into your network and buying your product. Maybe these are advertising costs, or sampling costs, or maybe you just send them an email. Whatever it is, you should be able to calculate how much it costs you to acquire customers based on their demographics.
- Customer Lifetime Value is how much revenue you can expect from a customer over their entire relationship with your brand. If they're likely to buy weekly for the next 10 years, their lifetime value is pretty high. You can estimate customer lifetime value based on previous transactions, and your data will improve as you make more sales.

When you know both of these values, you can make informed decisions about how to grow your brand. Where is your customer acquisition cost lowest relative to their lifetime value? That's where you should focus.

HOW TO MAKE A PRODUCT

Making a packaged food product is such a broad topic that we want to put some boundaries on what is discussed here. This page is specifically focused on the steps required to take your idea — and maybe a rudimentary recipe you tried at home — and scaling it so it can be sold.

How do you develop a recipe?

This first question is focused on how to take your concept and develop it into a recipe. Most new food entrepreneurs, and many mid-sized brands, will start this process at home. Maybe you have a very specific recipe already — like your grandmother's salsa — that you want to scale and bring to market. Maybe you have a general idea, but no recipe yet. In either case, you should start by making sure your goal product is feasible. You can try making a batch of your product at home and getting feedback from friends and family. Ask them questions about their experience and try to get those who you think are most aligned to your target customer group. For consistency, every time you make a batch you should keep a detailed record of your ingredients and process. You should measure your ingredients by weight, and, if heating is involved, measure the temperature of your food with a digital kitchen thermometer. Ultimately, this home production process can be a helpful first try to test new methods and flavors without investing significant amounts of capital in a more expensive process. However, homemade food production is not scalable beyond a farmer's market (and you must abide by highly restrictive cottage laws if you truly wish to produce your product at home).

Once you are convinced that your product is feasible, both financially and technically, there are various services you can work with to professionalize it. You don't need to work with any of these organizations, but they can help if you are new to the space and provide a number of valuable services.

- Flavor houses develop natural and artificial flavorings for food products. These can be particularly helpful if your production process involves heat (which can break down flavor molecules) or if you are developing a beverage and looking to enhance the flavor profile. If you agree to work with a flavor house, they will help develop a flavoring agent for your product. Keep in mind that if you go this route, you will have to buy flavorings from the flavor house indefinitely. If you really want, you can always try going to another flavor house (which can make a similar flavor) or reformulate your product to avoid flavor houses all together later on.

- Food labs offer a wide spectrum of services to assist in the development of a food product. Their food scientists can take your initial concept and develop it into a scalable recipe that can be produced on industrial manufacturing equipment and in larger quantities. This may include changing the production process to minimize the number of steps, or the amount of time; it might also involve changes to the ingredients in order to get a specific mouth feel or flavor after the product is packaged. They can also provide suggestions to change ingredients so that you can meet a specific price point. If you are willing to pay for it, food labs can even develop your product from scratch if you have a clear idea of the product-market fit. Food labs can be affiliated with universities, independent nonprofits, or for profit entities. Regardless of their affiliation, they typically charge on a fee per service basis, based on the expected time it takes their team. This depends on your product form and complexity, but generally costs tens of thousands of dollars. You also have to provide the ingredients for food labs, which is an additional cost.
    - Ex: Cornell, North Carolina Food Innovation Lab, Kitchentown
- Independent food scientists can offer some of the same services as food scientists associated with a university, but at lower costs (and possibly with fewer conflicts of interest).
- Herbalists can help identify herbs for your product development. They may also be familiar with medicinal properties of herbs and can help you develop a product with specific health goals in mind — for example, a calming tea blend. However, be careful about making any health claims and be sure they are backed up by scientific research.

What else do I need?

There are a few additional tasks you should consider.

1. **Develop a scheduled process.** This technical document details the exact production process, including all ingredients, their weights and the steps involved in production. It also includes safety factors like pH levels or moisture content, if relevant for your product. These documents are provided to your production facility so that they can produce your product exactly to specification. You should work with a food scientist to develop the scheduled process.
2. **Create nutrition facts.** Your packaged food product must have clear nutrition information on its package for customer understanding and FDA compliance.[2] To create this panel, you have a few options. If your product is a combination of raw ingredients, the FDA and USDA have nutrition databases that you can reference, such as FoodData Central. If you use other prepared products, you can reference the nutrition facts from those products or ask the supplier for greater detail. You can apply a weighted average across your recipe and divide by serving size to determine the nutrition facts for your product. You can also use services

2 Unless your product fits certain categories like alcohol, which are not regulated by the FDA. Technically, the FDA also does not require nutrition labels for small companies selling under $25,000, but consumers expect to see the nutrition panel, so we recommend designing with it in mind

such as Recipal.com, which maintain their own databases and format the information into standard nutrition fact panels for you. Most accurate, but also most expensive, is to complete a full nutritional profile for your product, which can range from a few hundred dollars to well over $1,000 if you want to understand the content of vitamins and minerals.

3. **Define shelf life.** All packaged foods must have a shelf life on the label. Generally speaking, you want this to be as long as possible in order to reduce the risk of your products expiring on store shelves. One of the most effective, and least expensive, ways to determine this is to keep a unit of your product and test it after your desired shelf life. However, this requires time you may not have. Another option is to work with a food lab to complete accelerated shelf life testing, which varies in cost and can easily exceed $1,000 per product. If you are working with food scientists or a co-packer, they might also be able to estimate your shelf life based on their experience with the product type.
4. **Define your packaging.** Beyond the design and branding elements to your packaging, it must also be functional and scalable. You should consider packaging options that meet your needs in terms of size, material, and shape. Be aware, co-packers use machines to fill packages and different types of packaging require different machines. If your package is not compatible with a certain co-packer's machines, you won't be able to use them — unless you lease/buy a new machine for them that is!

How do you produce for commercial sale?

There are a few avenues you can pursue to produce at commercial scale. We will discuss the three most common methods in order of scale — commercial kitchens, test kitchens or pilot facilities, and co-packers. Beyond this, there is the larger option of having your own production facility; this requires large scale and product demand, and is not how most packaged food products start, so we do not go into detail here.

As you consider which facility you will produce in, it's worth pausing to think about any certifications or claims you want to advertise on your product. USDA Organic certification is a facility-based certification, so you would need to work with a facility that is certified organic. Certain facilities will accommodate allergens and may be peanut free or have dedicated gluten free production lines. If this matters to you, you should ask these questions early on in your search for a production facility.

COMMERCIAL KITCHEN

Commercial kitchens are commercial-grade cooking facilities. Every restaurant you have been to has one. For packaged food products, you can often find community commercial kitchens that rent space by the day or hour. Larger commercial kitchens may also offer labor on an hourly basis as well, which can help you prepare and package a greater quantity of goods. These facilities typically have commercial grade appliances — refrigeration, food processing, ovens, etc.

— but little if any specialized food processing equipment. If you choose to produce in a commercial kitchen, you will be responsible for complying with all health and safety regulations at the facility (as opposed to if you hire a pilot kitchen or co-packer, which have kitchen managers to do this for you). This means that someone present at the commercial kitchen must have food manager certification (you can obtain this by completing a test from ServSafe or other service for a fee). This also means that you need to be aware of food safety requirements, including allergen control and sanitation throughout the facility. While commercial kitchens are financially accessible, having to do everything by hand means that it is only a slight upgrade from producing at home. This limits the amount you can produce, increases your per-unit production costs, and can make consistency across product batches more difficult to achieve.

TEST/PILOT KITCHEN

Between commercial kitchens and co-packers are test or pilot kitchens. Often, if you are working with a food lab, they will have a test kitchen on site that they suggest you use to test your production process. Pilot kitchens have specialized food processing and packaging equipment similar to what you will find at co-packers, but often only one or two of each type of machine. This is an effective method of trying a production process you plan to scale with a co-packer, but at a smaller quantity. Pilot kitchens are run by facility managers, so you are contracting out the production of your product to the facility. This makes life easier on you, since all you have to do is provide the scheduled process, ingredients, and packaging. Particularly since these facilities are used to pilot larger production processes, you will want to assess the final product for flavor, texture, and consistency across units.

CO-PACKERS

Co-packers are all over the country in obscure buildings you might have never noticed because they often lack signage. Co-packers specialize in certain types of products based on their equipment and certifications. Rodeo CPG and Sherpa have developed an extensive list of co-packers that serves as helpful reference, available for free here. These facilities produce and package products at large scale and typically have minimum production quantities of 10,000+ units. Most co-packers will be willing to work with you to complete a smaller test batch, which is a good idea to make sure that the recipe scales as expected and the final product performs and tastes the way you want. Co-packers often offer you a contract agreement to produce X units of your product in a given timeframe. Co-packers prefer to know approximately how much you plan on producing every quarter — and this is something that may be included in the contract. By signing a contract, you commit to this minimum amount. You could choose not to sign a contract and ask the co-packer to produce on-call, but they may charge higher fees and by not signing a contract you deprioritize your product from production because the co-packer will produce for their contracted clients first. Good co-packers can help you source large quantities of ingredients and packaging, since they have standing relationships with suppliers. Here’s another helpful link with suppliers and co-packers.

However you choose to produce, it's worth remembering the economies of scale that come with greater production efficiency. Test kitchens and co-packers may cost more at first than a commercial kitchen space, but they produce significantly more units of your product and use industrial machinery that helps you maintain product consistency and food safety batch after batch.

UNIT ECONOMICS

The $7 price you see for a jar of organic, local applesauce at your local specialty foods store represents much more than what the manufacturer is receiving. Let's break down the major cost factors involved in creating a packaged food product.

INGREDIENTS

Unsurprisingly, your raw ingredients are a primary cost factor. Typically, the more you buy the cheaper your per-unit ingredient costs. This is a strong argument for producing at scale.

PACKAGING

Another cost you face for every unit is your packaging. This is not only the container, but also any labels/wrapping and external packaging (if you sell individually wrapped bars, include the cost of the box that contains them). Like ingredients, you will see per-unit costs go down as total order quantity rises.

PRODUCTION

Production costs include the cost for the facility (kitchen or co-packer), labor, and incidentals. When factoring in labor, make sure to count the cost of your own time. Even if you aren't paying yourself a wage or salary right now, you should include a theoretical cost (say, $20/hr) so that your production costs aren't artificially low. When you eventually pay someone else to make your product, you need to be able to afford their wage without raising prices.

The three costs above — ingredients, packaging, and production — wrap up to the cost of goods sold, or COGS. This is how much it costs you to produce your product. This does not include general overhead, marketing, or any of the costs associated with getting your product to the consumer.

SHIPPING & TRANSPORT

Once you have your product in hand, you need to ship it either to consumers directly or to a fulfillment center, distributor or retailer. Shipping costs vary based on distance and size of your shipment. As with ingredients, you typically can get better shipping rates by shipping larger quantities. You will likely be shipping Less Than Truckload, or LTL, which is any number of pallets less than a full truck's worth (the alternative is FTL, or full truck load). If you are shipping directly to consumers, look into discounts at USPS, UPS, and FedEx for business accounts; if your online sales platform is Shopify, you can see shipping costs and print labels directly from the Shopify platform.

WHOLESALE PRICE

This is the price at which you sell your product to distributors. This is your COGS + margin. How much margin should you target? Well, more is certainly better, but this also depends on consumer willingness to pay. A good target is 50%. Thus, if it costs you $2 to produce and ship your applesauce, you would sell to distributors for $4. We'll get back to this later.

DISTRIBUTOR MARGIN

If you use a distributor to access retailers, they will add an extra 20-30% margin on your product. To continue with the applesauce example, if your distributor adds a 20% margin, they sell your product to retailers for $4.80 per unit. Note that if you seek out retail accounts outside of your distributor, this is the price you should offer! This keeps things consistent across your accounts, and gives you a little bump in revenue from avoiding the distributor markup.

RETAILER MARGIN

Finally, retailers will add their own margins to your product when selling to end consumers. Retail margins are typically between 30-50%, with big grocery stores on the low end and specialty stores on the high end. If a retailer expects a 40% margin on your applesauce, they would sell it for $6.72 (or they'd round up to $6.99 and take the extra $0.27 cents for themselves).

Thus, the applesauce you can produce and ship for $2 per jar, sells for $6.99 per jar on most store shelves! Since you know this, you can recommend the $6.99 MSRP, or manufacturer's suggested retail price, to encourage new retail accounts to conform to your pricing.

The $2 you earn on each unit from your wholesale pricing is not pure profit (you wish!). Your business faces additional costs beyond the COGS. One such cost might be hiring a broker, which is someone who promotes your product and helps get you into stores. Brokers typically set a 5% fee for accounts that they win you. You may also find a merchandiser helps you keep sales flowing by visiting retailers to make sure your products display correctly and the next order is placed. Another possible cost is trade marketing. If you work with larger grocery stores, they will expect you to commit a certain amount of money to marketing and promotions at their stores; a good rule of thumb is to set 20% aside for this. This leaves you with 25% margin instead of the original 50%. Part of this will offset lost revenue from products that expire, which you will no longer be able to sell. You'll also use this 25% for administrative costs, licensing and fees, rent (if needed), and any other business expenses that don't factor directly into producing your packaged food product. What's leftover after all of this is your profit.

What if my unit economics don't work?

If you run through this pricing exercise and realize that in order to be profitable your product is going to cost so much consumers won't buy it, you have a few options. First, double check that it is really too expensive for consumers. Run surveys, consider a Van Westendorp pricing analysis, and gauge consumer interest in applesauce for $7/jar. If it still seems prohibitively expensive, don't worry. One of the most effective ways to reduce costs is to reduce the cost of your ingredients and packaging. You can buy ingredients in bulk to get better prices, or shift between suppliers to find a lower price point. You could also try reframing the value proposition to consumers, and testing your new messaging to see if consumers would be willing to pay more if they perceive healthier, more ethically produced ingredients.

Another option is to increase your rate of production. Maybe you have been operating at a loss in order to build initial traction. At the right time, you can scale up to larger quantities with a co-packer, reducing the per unit production costs of your product.

Finally, while you need cash to continue operating your business, profitability does not need to come immediately. Many food manufacturers break even, or even lose money, on their first production run. If you are planning to scale your business and sell it, remember that large food manufacturers have their own ways to drive down costs and realize profitability, even if you might not be able to.

What if I plan to sell online?

Great question. If you plan to sell through retail and online, you should set your online price equal to your average retail price (or MSRP). This keeps pricing consistent across channels and avoids confrontation with your retail account representative if they feel you're undercutting them elsewhere. You can also use the higher margin to offset shipping, labor, and ecommerce costs associated with online sales.

If you plan to sell through online retailers, such as Amazon.com or Thrive Market, in addition to your own website, you should be aware of their pricing schemes. Thrive Market asks manufacturers for a sweetheart deal of 25-30% below standard wholesale pricing. They are effectively asking for the distributor margin. Amazon charges several fees, which are best described here; in general, Amazon charges an 8% "referral fee" for food products $15 or less, and a 15% fee for more expensive products. They also charge you for fulfillment costs, redistribution costs across their warehouses, storage costs (which skyrocket during the busy Oct-Dec season), and various other fees. If you choose to fulfill orders placed on Amazon yourself, you can avoid many of these costs, but keep in mind that Amazon sets shipping rates.

A NOTE ON MARKUP VS. MARGIN

Markup is the increase in a price, while margin is the percentage that goes to the interested party. If you wholesale a product for $4 and the retailer sells it to consumers for $7 (assume no distributor), then the retailer has marked up your product by $3. Their margin on your product is 43%; that is, for every unit sold, the retailer earns 43% of the revenue. The food space uses margin more often than markup, but if you have one you can calculate the other.

FINANCING YOUR VENTURE

This is not legal advice

So you have a great packaged food business idea, but you're not sure how to pay for everything to take it from concept to reality. Depending on how you proceed, it could cost you anywhere from $5,000 to over $50,000 before you even get your first sale, and that assumes little to no new food technology.[3] So, how do you fund your new venture? Below are several of the most common ways packaged food entrepreneurs do it. Since financing a business is such a huge topic, we recommend consulting additional resources and books, especially if you plan to seek capital from grantmaking organizations, angel investors, and venture capitalists.

3 Again, if you have a patentable food tech product, like cultured meat, your experience will be more aligned to the tech VC space

Your Own Money

The less-exciting version of OPM (Other People's Money) is, inevitably, your own money. The reality is that most packaged food companies will receive capital from their founders' pockets — or their spouses'. How much you contribute depends on how much of the legwork you plan to do yourself; having a food lab develop your product from scratch costs significantly more than having a food scientist tweak a recipe. It also depends on how professionalized you want to look on day 1. Some startup companies will affix sticker labels to their products initially for $500, while others will pay $30,000 for a design firm to create product packaging and buy wrapping so that their products stand out on the shelf.

Credit Cards

Many founders have taken out credit cards with 0% financing for 12 months to front startup costs leading up to production and initial market entry. While these cards carry high interest rates if they are not paid off, they present an accessible and inexpensive form of bridge financing when used appropriately.

Grants, Prizes, and Accelerators

Several food business accelerators exist in major cities, often targeting either food tech or mission-driven companies. There are also pitch competitions across the country (and online), which offer cash prizes for good business ideas regardless of industry. Some state governments also have grantmaking and investing arms that offer funding to startups who do business in their state.

If you are affiliated with a university, you may have access to additional funding opportunities through Centers for Entrepreneurship and innovation programs on campus.

Angel Investors

Angel investors can be anyone[4] who is interested in investing their own money in high potential businesses. Because this is such a broad statement, there are angel investors for all shades of entrepreneurship. Some angel investors band together to make it easier to attract startups and coordinate investment opportunities. Others operate on their own. Angel investors, because they are using their own money, do not necessarily face specific time constraints on their investment. They may be willing to work with you on a long-term growth strategy. Finding the right angel investors, whose values and goals align with your company, can be tricky, but it's critical to find a good fit beyond your capital requirements.

4 Government regulations typically require these individuals be "accredited," which means that they must earn $200,000 per year or have $1M in assets

Friends and Family

You can also raise money from your existing network of friends and family. Typically this is the first fundraising round of outside capital that companies pursue, but of course that depends on whether your friends and family have the cash and risk tolerance to invest in your start-up. Under SEC rule 506, up to 35 non-accredited investors can be included in your investment round, so long as they have financial knowledge (or advisors) and already know you. This allows your brother Thomas and aunt Karen to invest, even if they aren't millionaires. However, you will still need to provide investor materials and should consult with a lawyer as you complete this process.

Venture Capital

Venture capital firms raise money to create funds for investment in high potential startups. These funds typically last 10 years, after which the VC has an obligation to return the invested capital to its owners. Because of this time constraint, VCs are usually looking to invest, grow, and exit (sell your company) within a 5–7 year period. They're looking for fast growth and high returns (think 20x). They can often provide connections and resources to help you accelerate your growth phase. If you accept VC capital, you are on their timeline. While details involving venture capital are far too complex to get into here (check out the book Venture Deals), we wanted to call out the potential for VC investment as another way to fuel growth. Finding the right VC, much like finding the right angel investors, is about having a shared vision and mutually benefitting from the arrangement.

Several VCs invest in food tech; fewer invest in packaged food products that lack a patentable or proprietary process. There are still plenty out there — you just have to find them! CPG specific VCs also exist, although they usually like to see traction through sales (you don't need to be profitable — yet). If you find a VC whose investment thesis aligns with your product, you should seek out a warm introduction (have a mutual friend connect you). Most VCs simply receive too many emails to spend much time reading through unsolicited proposals.

Lines of Credit

Once you have ongoing business, you can finance your company through lines of credit. You can receive cash for your outstanding accounts receivable and inventory, and you can work with banks to establish a credit facility. These can be useful options as you look to scale but won't help much in pre-launch financing.

Crowdfunding

These services are just as much of a marketing campaign as a way to raise capital. In order to succeed, you should have a marketing and PR plan that communicates your value proposition to potential backers/investors. Each of these services is different; some only give you money if you raise your target amount, while others will fund you even if you don't meet your goal. You also have to choose between a backer campaign and an investor campaign. Backers typically receive product in exchange for pre-payments, while investors will receive an ownership interest in your company through a SAFE (Simple Agreement for Future Equity). Your investors will remain your champions, because your success is their success, but investor campaigns attract additional scrutiny from the SEC.

WORKING CAPITAL

Once you're operational, your challenge, in addition to everything else, is to manage your working capital. It's challenging because you spend money producing your product, but often won't see cash from sales for several months. Even as you finish one production run for your product, you're already planning your next even though you haven't sold the inventory you currently hold. How do you handle this? There are several options. Here are a few of the most common:

- **Request better payment terms from suppliers.** When you work with co-packers, ingredient suppliers, food labs, and others, they'll typically invoice you and request payment. If you can get a 30 day payment period, instead of having to pay immediately, you've just created some wiggle room; such an agreement is called Net 30 payment terms (there are also Net 60 and Net 90, although less common).
- **Reduce the pay cycle with customers.** Instead of a 30 day pay cycle from customers, establish a Net 15 or Net 0 cycle, which gets cash back to you faster.
- **Work with financing companies.** Various companies will finance your inventory and receivables to get you cash now in exchange for a small percentage off the top. Of course, this is another cost to you, so you should weigh it against the benefits to determine whether it is the right approach.

LAWS, LICENSES, AND REGULATIONS

This is not legal advice

As a food product manufacturer, and a startup, you face a high regulatory burden that may at first be unfamiliar. Depending on your product category, such as alcohol, meat, or unconventional foods, you might face requirements in addition to what is listed here. In all cases, you should talk to your local and state offices to verify that you satisfy their licensing criteria before producing and selling your product.

Production

If you are using a test kitchen or co-packer, their kitchen manager is responsible for most of the production regulations and compliance and should be familiar with your regulatory burden. If you choose to produce your product in a commercial kitchen, then you will probably meet with a health inspector and have your process reviewed for safety.

In all cases, you should purchase Food Product Insurance to insure yourself against claims from customers against your production process.

Some of the licenses you may have to pursue:

- **Food Manufacturing License.** All manufacturers are licensed and subject to inspection by the FDA and the local food & safety inspector
- **City Food Service License.** Cities may require that you apply for a separate license as a food manufacturer or retailer. You should contact your city's department of health in order to verify city licensing requirements
- **Registration with the FDA.** The FDA requires that all manufacturing businesses with $25,000+ in sales per year register their production facility on their website for free. If you are just starting out, you can still register (there is no harm in registering early)

Sales

As a retailer or wholesaler, you face additional regulatory burdens to ensure your product is safe and you abide by relevant commerce laws. Your primary requirement here is to collect taxes.

- **Department of Commerce/Revenue.** Before you sell your product, you must register with your state's department of commerce/revenue to collect sales tax (and other taxes as applicable)
- **Registration with other state departments of revenue/commerce.** If you sell your products in a state other than where you are operating, you may need to register with those states so that they can track your collection of sales tax. Every state or municipality sets its own threshold for this requirement based on how much you sell in their jurisdiction, and you should work with your accounting team to remain compliant

Labelling

As a packaged food product, you are required to abide by strict labelling requirements. You can get a sense for these by looking at similar products on the market and identifying commonalities — do they all have the same disclaimers, warnings, or guidance? Do they all use the same terminology? As a packaged food product, you must have your food's common name on the label ("chips," not just Dr. Moller's Crispy Delights), its weight and size, and an expiration date. Most food products must abide by FDA nutrition labelling, which is fully detailed in a guide here. Food manufacturers must also be careful about words and phrases used on their product label. Certain terms, such as "healthy" and "organic" have specific definitions that you must meet in order to use the terms. Including health claims on your label also raises scrutiny.

Certain industrial and packaging designers are familiar with these labelling requirements and will work with you to keep your product packaging compliant. If you choose to use a less experienced designer, you should study guidance documents and collaborate with other food manufacturers to verify that you are satisfying requirements. When you pursue your product licensing, the city or state may request to see your product label and let you know if you are noncompliant, but ultimately the responsibility rests with you.

Ingredients

All of your ingredients should be generally recognized as safe, or GRAS, per FDA guidelines. If you are using an exotic or new ingredient that does not yet have GRAS status, work with the FDA to understand compliance requirements and get it listed as GRAS. Lack of GRAS status will limit your ability to sell your product in stores.

Taxes and Fees

As a business, you are expected to pay taxes at the state and federal level and estimate your tax burden quarterly. If you fail to make quarterly tax payments, you may be penalized with extra fees at the end of your fiscal year. If you are a retailer, you may also face tax requirements from your local tax district and city. Work with an accountant to understand your tax obligations and make sure you remain compliant.

Some states, like Delaware, also charge a "franchise fee" on businesses registered in their state. This fee is for the privilege of being a business in that state and is typically paid annually based on your business' size. Even pre-revenue startups may face several hundred dollars in franchise fees.

Trademarks

While you may not be able to patent your recipe to keep away competition, you can protect your brand by applying for and holding trademarks on your design. Trademarks can be design marks, like your logo, or word marks, which give you the right to that word or phrase in your product class. For example, “Patagonia Provisions” is a word mark owned by Patagonia for class 30 food items (including spices, condiments, and coffee). This prevents any other company from using “Patagonia Provisions” in their packaged coffee or condiment brand. You can read the full rules on how to apply for a trademark here, and should apply for trademarks early (they only cost $250 in most cases). Applying early has the added benefit of verifying that no other company thinks they have rights to your branding. If another trademark, or a similar trademark, exists, you will likely be notified by the company that owns it.

While trademark law is based on ‘first use’, meaning you don’t technically need to file with the US Patent and Trademark Office to have rights, filing the trademark and getting added to the TESS database (which you can use to look up trademarks) will reduce the likelihood of infringement later. It’s also worth pointing out that ‘first use’ is state specific. This can potentially lead to weird scenarios where you have rights to a brand name in some states but not others; if you just file the trademark you don’t need to worry about this.

THIRD PARTY CERTIFICATIONS

Certifications are optional, third-party standards that you can pursue for your food product. If you go through the certification process, you are allowed to use a logo that indicates your conformity to the third-party standards to consumers. In general, you should pursue a certification when it will expand your market, increase the value of your product in the eyes of consumers, or better align your product and mission. However, you should be aware of the costs involved, both direct and indirect, and make an informed business decision about any certifications you choose to pursue.

How do certifications add value to your brand? They indicate to consumers that you are aligned to the standards of that certifying authority. This can play a crucial role in your overall brand ethos, and how you communicate alignment between your mission and your product. For example, if you are Certified Regenerative Organic, consumers may recognize the logo and be willing to pay more for perceived higher quality items that use fewer pesticides and promote farm health. Consumers may also recognize certain certifications as moral benchmarks that align their purchasing with their values, and they may be willing to pay extra for the associated good feelings — think Fair Trade, B Corp, and Animal Welfare Certified. Certifications can also expand your consumer base by indicating to certain customers that you comply with their dietary needs — think of kosher, halal, vegan, and gluten free as some examples.

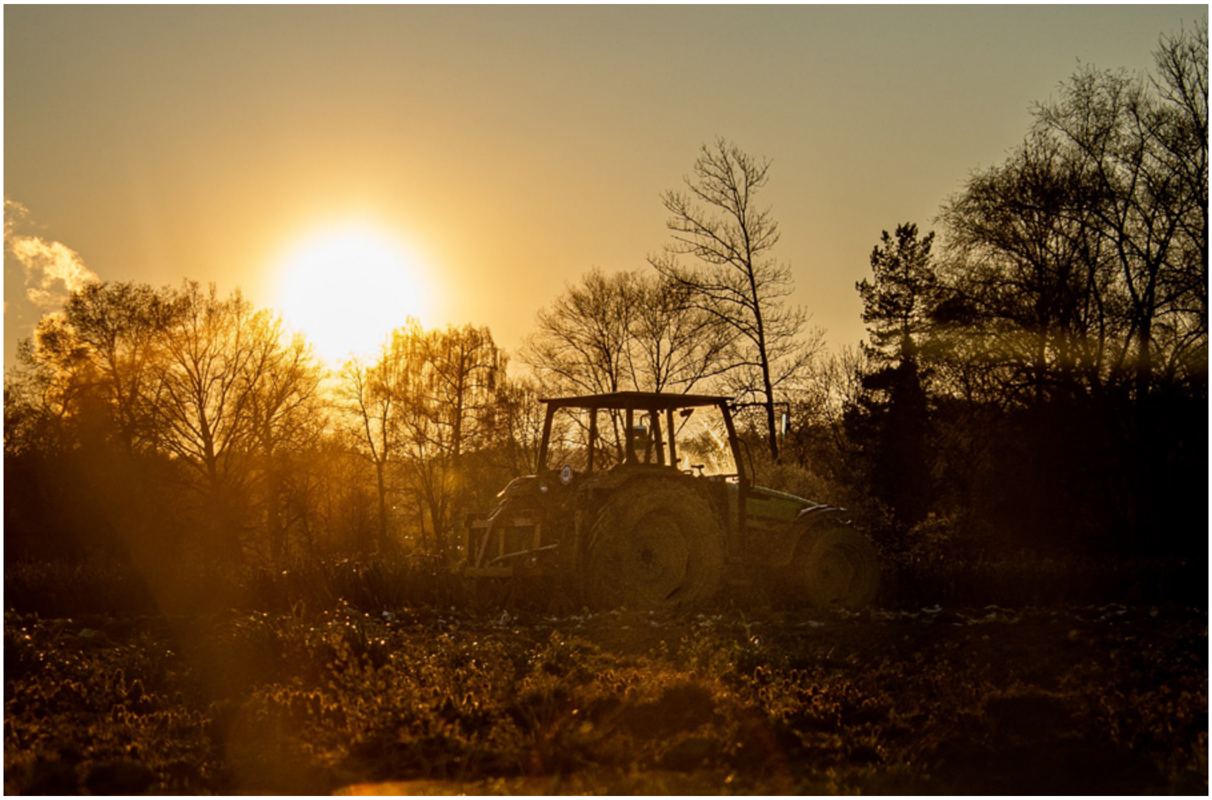
Each certifying authority is allowed to set its own standards that you must meet in order to use its logo. Typically, this involves completing a questionnaire so that they can assess your compliance, paying a licensing/application fee to the certifying organization, and allowing your operation to be inspected for continued compliance. Some certifications can involve hundreds of questions and significant legwork.

The effort involved in attaining a certification often depends on the scope of the certification's materiality. For example, gluten free certification may require verifying that you produce your products in a gluten free facility and that your ingredients have been tested and found to not contain any gluten. However, B Corp certification requires you to assess your energy usage, employee welfare, governance, and other metrics across all arms of your operation. Still other certifications may require specific sourcing conditions that depend less on your operations and more on how your ingredients are grown.

Certifications can be a controversial topic in the food space, because while they create standards that consumers can visualize, they may be seen as too restrictive or not innovative enough. In many cases, you can choose not to license a specific logo through a certifying authority and try communicating similar values to consumers directly — through infographics, language on your package, and online. But, again, that's not as easy for consumers to understand as a well-recognized logo on your package. And sometimes, especially when it comes to dietary standards such as gluten free, a third-party certification can reassure customers that your products truly meet their needs.

If you do choose to pursue a certification, you should make sure it creates accretive value for your brand by estimating the costs and added value that it brings. Many certifying authorities offer lower prices to smaller brands, so don't rule out a certification without looking into the details.

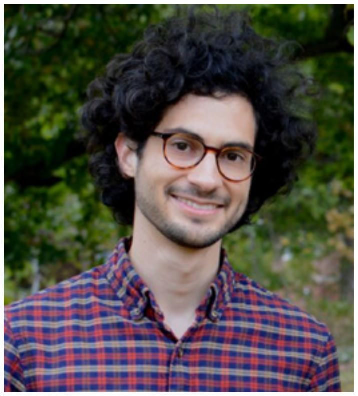
Some forward-thinking certifications can also serve as valuable indicators to investors, employees, and potential business partners. While most investors are likely to demand the same financial returns of a Certified B Corp as any other company, the certification may be viewed as an opportunity identifier and risk mitigator, as Matthew Weatherley-White, Co-Founder and Managing Director at Caprock, says in the Yale CBEY Investor Guide to B Corps. Similarly, employees may identify more with a brand that pursues certifications and practices aligned to their personal values, which can lead to better workplace culture and performance. Even if you don't want to be a Certified B Corp (or you don't yet qualify based on your score), you can take the B Corp assessment to benchmark your company's impacts, identify where you're most aligned, and check that against your company values.



A Note on Organic

Organic certification is unique in that it is regulated by the USDA (yes, the organization responsible for farm subsidies and meat safety...and also the entire US Forest Service). While the USDA contracts out to private certifiers, their standards come with the expected amount of bureaucratic specificity and jargon. And since it is a government certification, there are rules in place to prevent non-certified companies from misleading consumers (for example, you cannot simply type “organic” on your package unless you are certified, but you can say “made with organic ingredients” if that is true). You can explore more on the USDA webpage here. Somewhat surprisingly, organic is not just a statement about how your ingredients were grown, but also how you manufacture. In order to use the USDA Certified Organic logo, you must manufacture in a certified organic facility, using organic ingredients (with some minor exceptions). This means that if you want organic certification, you need to plan ahead in your ingredient sourcing, production process, costing (including consumer willingness to pay analysis), packaging, and brand values.

ABOUT THE AUTHOR



My name's Tony. I sought out to start a manufactured food business, but found the lack of resources on how to do it constraining. Too much industry knowledge required networking and having the right connections. This guide is an attempt to change that — to provide a lay of the land and make food-based entrepreneurship more accessible to all.

I'm a recent graduate of masters programs at the Yale School of Management and Yale School of the Environment and co-founded Mesa Foods.

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