

**Open your own gourmet or organic food store!**

FabJob Guide to

# Become a Gourmet Food Store Owner



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## 1. Introduction

You're likely reading this book because you have a passion for fine food and want to turn that passion into a new and exciting career. Chances are, you're an impassioned "foodie" with a great appreciation for and knowledge of gourmet food. Food for you is one of the great pleasures of life — not just a means of nourishment, but a wondrous part of the journey.

Your idea of a perfect day in New York City might be to spend it browsing the fine imported cheeses, meats, spices, and other hard-to-find items lining the shelves at Dean & DeLuca. Perhaps you prefer the top quality appetizers, smoked salmon, and other specialties at the 4th generation Russ & Daughters, or the unique Grecian sweets, baked goods, body care and other specialties sold at Mastihashop. Maybe you'd rather take in a professionally guided tour of the Big Apple's gastronomic wonders.

A great day in Paris for a food lover like you might involve winding your way slowly around the Place de La Madeleine, sampling the array of delights offered at the picturesque food department stores, such as Fauchon and Hediard, or the small gourmet boutiques, like La Maison de Truffe or the Marquise de Sevigny chocolate shop.

Or maybe your passion is for high-quality organic and natural foods. Perhaps you feel that, in an era of processed and fast food, we should return to our simpler roots, making the process of growing and harvesting, as well as purchasing and consuming foods, a more wholesome and personal one.

Now imagine yourself in a shop in the city you live in, the cases and shelves filled with enticing rows of gourmet or specialty foods, each hand-selected by you for its superior quality, taste, and excellence. Imagine sharing your passion for fine food with others, recommending products to them, exchanging new and exciting ideas, making your customers' lives a little richer and sweeter. If this vision is what you dream of doing, congratulations on taking this first step. With hard work and careful planning, that vision can become a reality, and over the next several chapters, we will show you how.

In this chapter, you will learn about the different types of gourmet food stores you can open, why it's a good time to start this type of business, the benefits of owning your own gourmet food store, and what you will learn in the chapters that follow.

## 1.1 A Growth Industry

Gourmet and specialty food sales are a booming business in North America. In both Canada and the U.S., the gourmet and specialty food industry is growing at a much faster rate than the food industry overall, with annual growth in the double digits every year over the last ten years. According to independent research firm Packaged Facts, annual sales of gourmet and specialty foods in the U.S. reached \$59 billion in 2007 — up more than 50% from \$39 billion in 1998. Of this, \$20 billion is derived from sales in gourmet and specialty food stores alone. The compound growth rate for the U.S. gourmet and specialty food industry from 2003-2007 was a whopping 11.1% a year, and this upward trend is expected to continue.

In Canada, the sales of specialty and ethnic foods are expected to grow at a rate of 12% annually through 2011. The increase in sales of organic foods in the U.S. is even greater, with an annual growth rate of 20.9% over the past several years and a projected growth rate of 18% through 2010. In Canada, the sale of organic foods in mainstream Canadian food outlets has risen from 5% to 50% over the last ten years alone, and forty-one per cent of all Canadians purchase organic foods regularly.

There are several reasons for this explosive growth. Over the past sixty years, Americans' interest in exotic and foreign cuisines has grown dramatically, as has an interest in health and wellness, including the importance of wholesome foods and sound nutrition. These factors, combined with the rise in discretionary income, allows more people to afford foods that have a greater nutritional value and those that satisfy their increasingly sophisticated palates. Moreover, both Canada and the U.S. have experienced significant recent population changes and growth due to immigration, which has helped introduce and popularize many specialty foods, as well as increased the demand for these products. Although these are not new trends, recent industry research indicates they have begun to accelerate in recent years.

Even in a slower economy, there are ample opportunities for gourmet food store owners. According to the Food Marketing Institute, during an economic pinch, people take their main meals in restaurants less often (e.g., only 1.2 times per week in 2008, as opposed to 1.5 times per week in 2006). However, they try to save money by preparing more gourmet meals at home, as consumers still want the quality, convenience, and greater nutritional value of gourmet foods without paying the higher cost of a restaurant meal. Thus, not only are gourmet and specialty food store sales steadily increasing, they have a significant advantage over restaurants during an economic downturn.

*"It's a good time for this sort of business. The US consumer has become far more educated, sophisticated, and choosy. The days of truck-driver coffee, industrial produce, flavorless mass-market bread, and bland chemical cheeses are over — and many consumers are willing to pay for the good stuff."*

— Shel Horowitz, marketing expert and author of seven books ([www.frugalmarketing.com](http://www.frugalmarketing.com))

## **Historic Milestones in the Gourmet Food Industry**

The U.S. gourmet retail food industry developed out of a variety of influences. After World War II, returning soldiers became interested in obtaining foreign foods they had sampled while overseas. The post-war economy was booming, allowing people to afford the imported foods that began to appear on grocery store shelves.

In the 1960s, increased tourism to foreign countries further fueled Americans' interest in the cuisines of other cultures. Mass production and better distribution methods also began to allow a greater variety of foods to become available across the country, including foods previously limited to certain regions or available only during limited growing seasons. Immigration also helped introduce foods from other countries by means of the specialty grocery stores that sprang up to serve immigrant populations.

As more people began to try these foods, their popularity spread.

Over the years, other influences took hold. Americans began working longer hours and more women joined the work force, which led to an increased demand for convenience foods. The invention of the microwave oven impacted how Americans eat, as did the rapid growth of the fast food industry. In response to the rise in fast food and highly processed foods with additives and artificial ingredients that allowed for a longer shelf life, Americans have recently become interested in healthier eating, creating a large demand for natural, organic, and unprocessed foods, including healthy convenience foods. These various changes and influences have permanently altered the American food culture and landscape.

## **1.2 Owning a Gourmet Food Business**

A successful gourmet food business is a full-time but exciting venture. Your days will be long and busy, and you will need to juggle many

different tasks. You will also need to put in a considerable amount of time in addition to the hours your store is open. Because of these demands, it's important that you are energetic, detail-oriented, and physically and emotionally prepared for the job. Although you will likely have at least one employee (and perhaps several, depending on your store) to help you, you will still need to oversee and keep a close eye on all aspects of your business.

Plan on spending at least half of your day on the sales floor dealing with customers, especially during peak sales times. This is a crucial way to gain valuable information about what customers want (and don't want), which will help you make better purchasing decisions and respond faster to clients' changing tastes.

## **A Typical Day**

### **Before You Open**

A typical day varies somewhat depending on the store, but in most cases, will begin with a routine much like the following:

- opening up the store
- turning the security system off
- turning the lights and computer systems on
- checking that any refrigerated equipment is properly operating
- checking the employee schedule
- checking your daily calendar for any special appointments or meetings for that day
- checking your voicemail and email
- getting change and setting up cash registers
- setting the store temperature and putting on the music system
- making any bank deposits from the day before
- holding any necessary staff meetings for the day
- checking that the store is neat, clean and well stocked

If you're selling prepared foods to go, you'll also need to set up the food preparation stations and/or check the foods prepared the day before.

## **During Store Hours**

During store operations, you and your employees will need to:

- receive and check deliveries of merchandise and/or supplies
- greet customers and assist them with their purchases
- ring up purchases
- handle problems and returns
- answer the phones
- deal with employees' concerns
- place merchandise or supply orders as needed
- make sure shelves, selling floor and display cases are in order and well-stocked throughout the day
- check on staff regularly to make sure operations are going smoothly

If you're offering foods to go, check the kitchen, kitchen staff and equipment for timely production, cleanliness, proper food handling and storage, and food waste.

## **After Closing**

At the end of the day, you will need to:

- gather sales and merchandise data and statistics
- close out the cash registers
- tally the day's receipts and place them in a safe or deposit them at the bank
- check stock inventory and receipts
- clean and straighten the store
- check or rearrange shelf and window displays

- complete paperwork and correspondence
- review the employee schedule
- make management notes for the next day
- check that all equipment is properly cleaned and shut off
- check that the lights are turned off, and the security system is on before leaving

Other periodic responsibilities include paying taxes and bills, dealing with promotion and advertising, keeping abreast of new products and other innovations in the industry, negotiating with suppliers, keeping licenses current, and attending trade shows.

Because you will be juggling a lot of important responsibilities, it's a good idea to make a daily checklist to follow, as well as a weekly, monthly, and seasonal checklist, as needed, to be sure you don't forget any important steps. We'll show you how to set up a store procedures manual in Chapter 5, "Running Your Business".

## **The Retail Environment**

Generally speaking, your working environment will be clean, well-lit, and comfortable. Except for franchise businesses (which we'll discuss in more detail in Chapter 3), the store's environment and design will be largely your own creation. The theme or feel of the store may range from warm and cozy or bright and cheerful, to classic and stylish, depending on your store's concept and design. Although we'll also discuss later on how to choose the size of your store and its location, your business may be located in a variety of venues, from a shopping mall to a stand-alone location.

Depending on the size of your store, you may need only one or two employees or several. You will be spending a lot of time dealing with your customers and staff, so it's important that you enjoy working with people and are patient and courteous. You will also be on your feet a fair amount during the day dealing with a variety of tasks, which will require plenty of energy, patience, and courtesy.

*“It is fun and a happy environment...I love working with clients to create a gift they feel excited to give or send to someone.”*

— Laura Weiss, Dolce

## Services to Offer

Success in the gourmet food store business depends upon offering products your customers want that they can't readily find at their local supermarket or grocery store, in addition to top-notch customer service and a satisfying shopping experience. While experts in the industry agree that specialty stores can no longer remain competitive with large supermarkets and grocery stores simply by offering superior customer service alone, great customer service is nevertheless essential to gaining and keeping customers.

One key way to stay competitive is to stay abreast of new trends and products in the gourmet food industry that relate to your business. We'll provide suggestions on how to do this later on, but for now, keep this in mind as an essential part of keeping your business fresh and exciting for your customers (and thus keeping up with, and hopefully even surpassing, the competition).

## 1.3 Benefits of Being a Gourmet Food Store Owner

### Be Your Own Boss

As the owner of a gourmet retail business, you will work hard, but you will reap the rewards of all your hard work. In addition to setting your own hours and creating your own work environment, you can also choose who you work with. The self-empowerment that goes with this kind of control over your job, your environment, and your future is another plus of being your own boss.

### Share Your Passion for Food

*“Passion is an important factor for success. It will actually differentiate you from some of your competitors. Customers will come to you because you love your products and enjoy teaching people about them, having them sample*

*them, etc....People love to shop where the owner drips passion. Passion is contagious—your staff will be spurred by it and you'll attract better salespeople. Your passion will also make you a better salesperson."*

— Joyce Weinberg, president, City Food Tours

Most successful gourmet food store owners are very passionate about the products they sell. Gourmet food retailing is about providing hard-to-find and specialty foods that your customers want. You will use your passion for food to spot trends so that you can provide the finest products available to your customers.

Gourmet and specialty stores have an advantage over supermarkets and general grocery stores because they can sell items the latter stores cannot. Regular grocery stores sell a limited variety of the most popular items, and maybe a gourmet selection or two, but they need to sell to a broader clientele. As a result, they have to stick to the same garden variety selections you'll find in most grocery stores throughout the country.

Gourmet store owners, on the other hand, get to select better, higher quality, and more exotic items. In short, you get to make a living doing something you really love. (The exception to this is franchise store owners. However, the lack of freedom to choose merchandise and other aspects of your business is offset by other advantages, as you will see in Chapter 3).

*"You need some part of this business in you, something about it that you are really passionate about, something that drives you to work as hard as it takes to succeed in this business. Whether it's a passion for the products you sell, or for seeing a smile on someone's face when they get exactly what they want. This is what gives 'life' to your business."*

— Joshua Russ Tupper, Russ & Daughters

## **Creative Freedom**

Owning your own gourmet store is also an excellent creative outlet. From the first spark of an idea to the development and creation of your concept, theme, layout and design, you will be creating your store from the ground up. Even if you choose to purchase an existing independent business, you will use your creative skills to plan merchandising efforts,

including store displays, and window and in-store displays. You'll also have the opportunity to create fun marketing campaigns, such as your grand opening, ad campaigns, and in-store promotions.

## Financial Rewards

How much you can earn as a gourmet food store owner varies greatly, but the upside potential is almost limitless. Successful gourmet food stores range from tens of thousands of dollars annually for a small neighborhood store, to millions, or even billions of dollars, for chain stores. For example, internationally-known gourmet company Dean & DeLuca boasts annual sales of almost \$60 million. For large chain stores, such as Whole Foods and Trader Joe's, which started out as a single store just like yours, earnings are in the billions (\$6.95B for Whole Foods; \$5B for Trader Joe's).

*"Anyone who has the will power to actually go through the steps involved that lead you to open your door for business on that first day should be congratulated. There are so many elements involved, but I think the bottom line is you really have to enjoy what you do and that will lead to a more rewarding sense of success. Success does not always come financially early on, or maybe ever, but the actual journey that you will take from beginning to end should be the reward."*

— Megan Cariola, Stonehouse California Olive Oil

## Willing and Enthusiastic Customers

Although the success of your business depends on effective merchandising, a great location, and promotion in order to get enough customers coming to your store, one of the advantages in the gourmet food business is that many people already seek out this type of store. A 2005 survey found that 12 million Americans actively seek out gourmet foods and that 38.8 million agreed with the statement, "I try to eat gourmet foods whenever I can." An important part of the gourmet retail food experience for customers is the personal service and the "adventure" of discovering new foods this way. As a result, your clientele is already on your side and they'll want you to succeed as much as you do.

These are just some of the many benefits to owning your own gourmet food store. So if you're ready, break out some Ciapinne flatbread and

Harlech cheese, sit back in your comfortable chair, and let's get started on your fabulous new career as a gourmet food store owner.

## 1.4 Inside This Guide

The *FabJob Guide to Become a Gourmet Store Owner* is organized to help take you step-by-step through the basics you will need to open and operate your own store. The chapters are organized as follows:

Chapter 2 ("Getting Ready") explains the skills you will need as a gourmet food store owner. It covers ways of getting practical hands-on experience by learning from other successful gourmet food store owners, as well as information on educational programs. You'll also find resources for broadening your knowledge of the gourmet food industry in this chapter.

Chapter 3 ("Starting Your Own Gourmet Food Store Business") will help you decide what kind of store you should open. This chapter discusses different products you can sell and will help you decide whether to buy an existing store, operate a franchise, or open a new store. It also explains what you need to get started, including your business plan, start-up financing, store name, and other important matters.

Chapter 4 ("Setting Up Your Retail Store") offers the information you need to actually set up your store. It gives advice on how to choose a location, get merchandise to sell, and arrange displays. You will also discover what equipment and supplies you will need and where to find wholesalers and suppliers.

Chapter 5 ("Running Your Business") takes you into the day-to-day challenge of running your store once it's open. It explains how to develop a procedures manual, and covers inventory management, financial management and pricing, marketing your business, and recruiting and training your staff.

Chapter 6 ("Getting and Keeping Customers") shows you how to attract and keep customers through various effective methods for marketing and promoting your business, as well as how to provide top-notch sales and customer service that will help you build a solid base of loyal customers.

By following the steps in this guide, you will be well on your way to living your dream — opening your own successful gourmet food store.