

biz 101

AS YOU ENJOY THE decadent flavor of your grandmother's signature cheesecake or the robust tang of your dad's famous barbecue sauce, you wonder how you can bring those family recipes to the rest of the world. Can you build a business around a family recipe? Absolutely—but you'll need to do a lot of prep work first. To get feedback, you might try out the recipe on family and friends, at

a church bazaar or the like, says Stephen F. Hall, author of *From Kitchen to Market* and founder of Food Marketing International in Scottsdale, Arizona, which provides

DELICIOUS!

TURN A SECRET FAMILY RECIPE INTO A NOT-SO-SECRET SUCCESS. By Nichole L. Torres

startup guidance to specialty food entrepreneurs. Research the costs of producing your recipe on a large scale, Hall advises. Then, find a co-packer—a company that can produce and package your product (check The National Association for the Specialty Food Trade's site at www.nasft.org).

That was Eve Lemon's first order of business when she founded Nature's Popcorn in 2001 and launched her flavored organic popcorn line, RastaPop, based on the spiced popcorn her aunt would make. "The beautiful thing about co-packers is they know all the [insider information]," says Lemon. "My co-packer knew companies that would produce labels at much smaller minimums." Lemon recalls the early days when she would distribute the product herself in her truck, peddling it to local grocers. "At the time, there wasn't anything out there like [RastaPop]," says Lemon, 39. "I'd go to natural food stores, and very few said no." She even got her popcorn into stores like Kroger and Whole Foods near her hometown of Atlanta. Today, Lemon offers flavors such as Spicy Garlic and Hot Curry and plans to expand distribution of RastaPop to the East Coast and the South before eventually taking it national. Sales are projected to reach nearly \$1 million in 2006.

Startup food entrepreneurs should test new products on a small scale, says Rick Citron, an entre-

EASY PAYMENT PLAN

NEED BACK-OFFICE HELP? TRY PAYPAL'S MERCHANT TOOLS.

PayPal isn't just for eBay sellers. Any online retailer can take advantage of PayPal's merchant services. PayPal can do more than just process your online payments—it can be your back office, too, with services such as sending automatic invoices to customers, processing shipping costs, generating weekly revenue reports and much more. PayPal's Amanda Pires says there are tons of merchant tools and tutorials to help you get started. Check out www.paypal.com/merchants for more information.



Make it pop: Eve Lemon brought her family-recipe popcorn to the public with help from a co-packer.

preneur and an attorney with Citron & Deutsch, a law firm and business consulting company in Los Angeles. "You might set up a kiosk at a shopping mall food court to see if people like your product, its packaging and its price," he says. "You can do the same thing at retail grocery stores—they are always looking for new products to test." Citron also emphasizes the importance of calculating costs—the raw ingredients should cost only 25 percent of your final price, and another 25 percent should consist of marketing and distribution costs as well as profit, since you'll probably sell wholesale at about 50 percent of retail, he notes.

You can also start part time, as Pamela Fishman Cianci did in 2004 with Sugar & Spike, a specialty cake, brownie and cookie company in San Francisco. Her first concoction was her great grandmother's rum cake. Still running the business part time, Fishman Cianci ships her gourmet products all over the U.S. and expects 2006 sales to hit the upper five-figure to lower six-figure range.

Hungry for your own business? Learn more at Hall's site (www.specialtyfoodresource.com) and The Gourmet Retailer (www.gourmetretailer.com).



PHOTO: FRANK MULLER/GITTY IMAGES

