Unit VI Case Study

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**What Value Does This Business Bring to the Communities It Serves?**

Through the values of self-sustenance and remote accessibility of the most important necessity to survive, food, the food truck business has won the hearts of many people in the communities where it is active. Large ranges of innovative and different cuisines can be enjoyed by diverse groups of people which was otherwise impossible for those living in far-flung areas.

Apart from bringing communities together through the channel of amazing food, the allure and decoration of the food trucks also draws the attention of people and drives them together over the mutual bonds of ethnicity and similar backgrounds.

**What Are the Advantages of the Food Truck Business?**

The food truck businesses have become quite a hype in this current age of consumerism which is conscious, extreme awareness expressed by the youth regarding their budget and expenditure, and the 24/7 requirements of pacifying their taste buds when they are on the go. There are many advantages of the food truck business which entail the following facts:

1. The requirement of a low level of initial investment
2. Involvement of a low operational and functional cost
3. Source of attraction because of décor and mobility
4. Experimentation with remote and far-flung locations
5. Liberty of expansion or building into a restaurant if the revenues are high

**What Are the Risks Involved in This Business?**

Although the food truck business offers massive potential and further possibilities of investment and expansion, there are huge risks involved ranging from the dangers of problems occurring in the vehicles to the vulnerabilities related to the operator and cook, as is evident from most of the cases that all the duties are performed by only one man (Okumus, 2019).

Natural disasters such as heavy rainfall or snowfall can close the business until the weather is good which implies that there will be a decline in the revenues. There's also the risk of food spoilage as many truck owners can't carry a refrigerator or a chiller in the truck as well. The continuous motion of the food truck can also pose a threat and even if a single commodity is handled wrongly, it can result in fire or other contamination hazards.

**What Characteristics of the Owners Help to Make This Business a Success?**

Facing no barriers to entry in the food truck business, many people have started this gig and majority have failed as well (Truong, 2019). Being successful and acquiring a certain upper limit of revenues in this dynamic business demands some unique characteristics and personality traits from the owners of this business (Fahlevi, 2019). In the video, Dan is shown to be an extremely resilient individual and when asked what he has learnt so far from the failures of this business, he replied that everything takes longer than expected, which indicates his endurance. Therefore, some qualities which a successful food truck owner must possess are mentioned as follows:

1. Displaying a passion for the business
2. An expert in customer service
3. Courageous and brave in the face of adversity
4. Action-oriented
5. Curious and helpful
6. Focusing on long-term goals

**What Type of Entrepreneurship Is Involved in the Video? Explain.**

Out of the many types of entrepreneurship, the one involved in the video is categorized as pure entrepreneurship. Out of the duo, Dan Kraus left his well-paid job in finance and started his food truck business. The two owners of the truck are pure entrepreneurs, constantly working and reworking their initial business plan as they face different problems. In pure entrepreneurship, often the entrepreneurs are not satisfied with their existing job even though they are being paid well and have access to all the perks of a 9-5 job. Lack of satisfaction and absence of a particular thrill in an individual’s life drives him to open his own business.

Besides this, often an individual may have a business idea which has unrealized potential and may do extremely well in the foreseeable future, so the individual uses all of his savings, takes a loan in many cases and becomes a pure entrepreneur to achieve his goals.

Furthermore, the food truck owners take pride in the sense of ownership and expressed content saying that in the beginning when sales were not high, it was difficult to incur additional costs but practicing complete autonomy on the business makes it easier for us to deal with hardships.

**Why Is Additional Support Critical for the Success of This Business?**

In the video, a non-profit organization, ECDI, lends additional support to Dan and Steve's food truck. Having sunk a lot of their savings in this business, Dan and Steve rely on ECDI for any last-minute expenses if there is a mishap. Additional support is vital for the success of a food truck business because there are situations when the truck owners can lose money and liquid capital. The business also requires support for acquiring large sinks, grease disposal, electrical hookups and a secure parking spot when the truck is not running. ECDI, in this video, helps Dan and Steve when they are short of something vital.

**What Suggestions Would You Recommend for This Business?**

I would suggest that the truck owners should initially plan and devise a scheme for building capital for a year's worth to be on the safe side in the financial perspective. The development of a particular identity and innovative cuisine which is restricted to Dan and Steve's food truck only, can ensure growth and increase in the success rate. Controlling the food prices and ensuring consistency in quality and quantity are also some useful tips to secure the business.

References

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