




BeCook!

Succeed your food project

**The Guide
for food
entrepreneurs**



By **BeCook!**

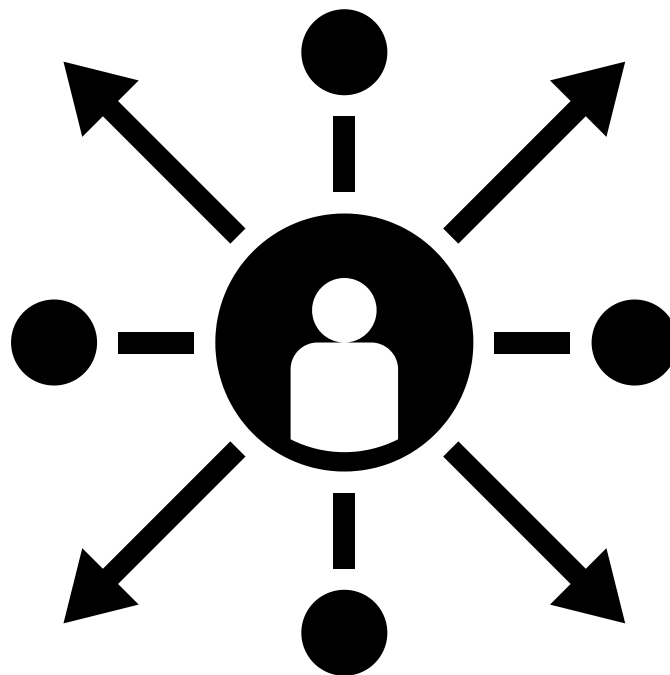


Ensuring your food project will be a success with the different aspects of our company, that is our daily mission. Given that just a gift or an idea is nothing without business management, pristine marketing has to be accompanied by procedures and following the rules in force. This guide provides food entrepreneurs with answers to indispensable questions that should be asked before launching a business.

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1. Self-employment or setting up a company?

When setting up a new business people always ask: Is it worthwhile to set up a company (legal person) or to launch as self-employed (natural person)? There are multiple factors that need to be taken into account. Partena has given us more information. Simply keep in mind that the more complex the project is (partnership, investments, staff recruitment), the more useful it is to organize yourself as a legal person. For projects that have a simple starting structure (1 or 2 associates, little starting material, no external investors), launching as a natural person will be easier and faster. The change from natural person to legal person is a common process for growing and expanding projects.



NATURAL PERSON

- Faster decision making
- No minimum capital required
- Launch comparatively easy and cheap
- Accounting relatively easy

LEGAL PERSON

- Limited personal responsibility
- Personal tax status more beneficial
- Personal financial risks more limited

- Unlimited personal responsibility
- Taxation of all business income in personal income tax
- Transfer more difficult than for a company
- Financial risks entirely your responsibility

- Starting process more complicated and more expensive
- Obligation for most enterprises to draw up authentic deed with notary
- Accounting and administrative obligations more important
- Work style less flexible due to fixed procedures governing many decisions

2. What kind of educational qualifications do you need?

When setting up your business, it's helpful to analyze 2 access levels. Access to management is required to carry out a business. You are obligated to prove your basic knowledge of management before registering in the Crossroads Bank for Enterprises (CBE). Your proof is a diploma or sufficient professional and practical experience.

For more information, click [here](#).

The second access is linked to the profession you'll be practicing. If you're going to be producing food for immediate consumption (like a caterer of a dark kitchen) or for events (weddings, parties, etc.) you need to have a diploma of Restaurant Owner or Caterer/Organizer of Banquets. If you want to produce bread, you'll need a diploma of Bread and Pastry Baker. These 2 diplomas can be replaced by sufficient professional experience.

For more information, click [here](#) (only available in French and Dutch).

If you don't have any of these diplomas yourself, one of your coworkers can supply their diploma. We recommend that you establish this clause in each of your staff's employment agreements.



The production of agricultural food products that don't fall under the 2 aforementioned categories don't require access to the profession. This includes, for example, ready-made meals or packaged products intended for non-immediate consumption. Find out more about your project.



3. Which permits or licenses are required?

Before launching your food business, you'll have to register at FASFC as working in the food chain (e.g. caterer, pastry cook, etc.). However, you're free to proceed with researching and developing, and testing your preparations without this authorization, which is only necessary when you start selling your products.



4. How to finance the investments?

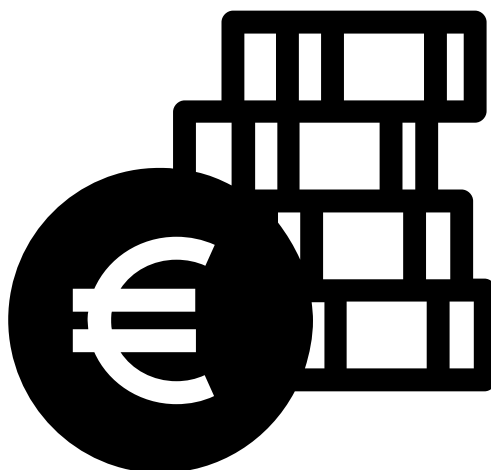
Small or large, entrepreneurial projects need financing. The funding will be used for equipment, consulting services, communication needs or working capital for your business. There are multiple, combinable options.

NET WORTH

Your net worth or that of the people living with you. This is usually the first circle. Net worth can be used as a capital investment for a bank loan. Financial institutions are keen on supporting start ups to retain a clientele that forms future business executives. However, be careful with the guarantees they may require.

EXTERNAL INVESTORS

External investors like business angels or venture capital. Don't underestimate the duration of the due diligence process as well as the requirement for these investors to prove that the project is profitable and growing. The business angel will guide you from the start and will often already be familiar with the business, whereas venture capital firms come in later when the company needs to be supported with new money.



CROWDFUNDING

Crowdfunding allows private individuals to support projects in exchange for shares, products or services provided by the project or an interest rate along with the reimbursement of the investment. These private individuals are often connected through platforms that put people in contact with each other. This solution is also a good opportunity to promote your project.

SUPPORT FROM THE PUBLIC SECTOR

The subsidies and public investment funds come from the state's 3 regions, depending on the location of your business. Your business's location is the place of production, which may be different from the registered office. The subsidies will also help you pay back investments you have made. Investment funds often come in the form of loans or equity investments.

For more information, click [here](#).



5. How to draw up a business plan?

That's the other important question: What form should my business plan take? There are so many books, courses and experts that anyone can get lost when only deciding which training to follow. To make this task easier for you, just remember that a business plan has to provide answers to all essential questions regarding a business. An exhaustive representation of these components are put together in the Business Model Canvas, freely available. If you notice that certain domains are still a bit vague, it means you have to emphasize their development.

In addition to the details of your business, a financial plan will be particularly helpful in predicting the expenses and revenues of your future business. Just like for your business plan, there are so many different models available that it's impossible for us to make a list of all of them. A good way to find out is to ask banks, which have a "starter pack" containing the files you have to fill in for your project to be seriously considered. Whether you've worked with a bank or not, these documents are made by experts in this domain.

Consider asking for help with these 2 essential elements of your project, it'll save you time and quality. An accountant will validate your financial plan and estimated costs. To estimate your sales figures, test the expectations of your target audience through a market study. Digital tools are overflowing the Internet, and social media are the best communication channel to get answers to your questions. Don't forget to meet up with your target audience to validate your idea and prices. You'll be surprised to find out that people love to support entrepreneurs who are just starting out.

6. How to calculate your profitability?

Cost control is essential in a volume market where margins per product are limited. The 4 main cost categories are raw materials (including packaging), staff, infrastructure and logistics expenses. The distribution between these 4 areas varies depending on the offers and volume. You'll need to add marketing and advertising expenses as well. Don't forget in your calculations that the VAT collected will be refunded quarterly, the rates vary depending on the categories of food products. Get help from an accountant and use financial plans related to your type of business.

Lastly, the plan is a useful tool to avoid forgetting any expenses and to evaluate them realistically.

Some classic pitfalls recognized by professionals can be easily avoided. For example: a 10% loss of ingredients during production, due to pouring mix into something else, and evaporation during cooking, is a common value. Lastly, a plan is only useful when followed and monitored. So test your expectations against reality on a regular basis to adjust them and keep your finances under control. The digitization of professions will greatly help you keep them under control while offering you different views on profitability by item, by family etc.

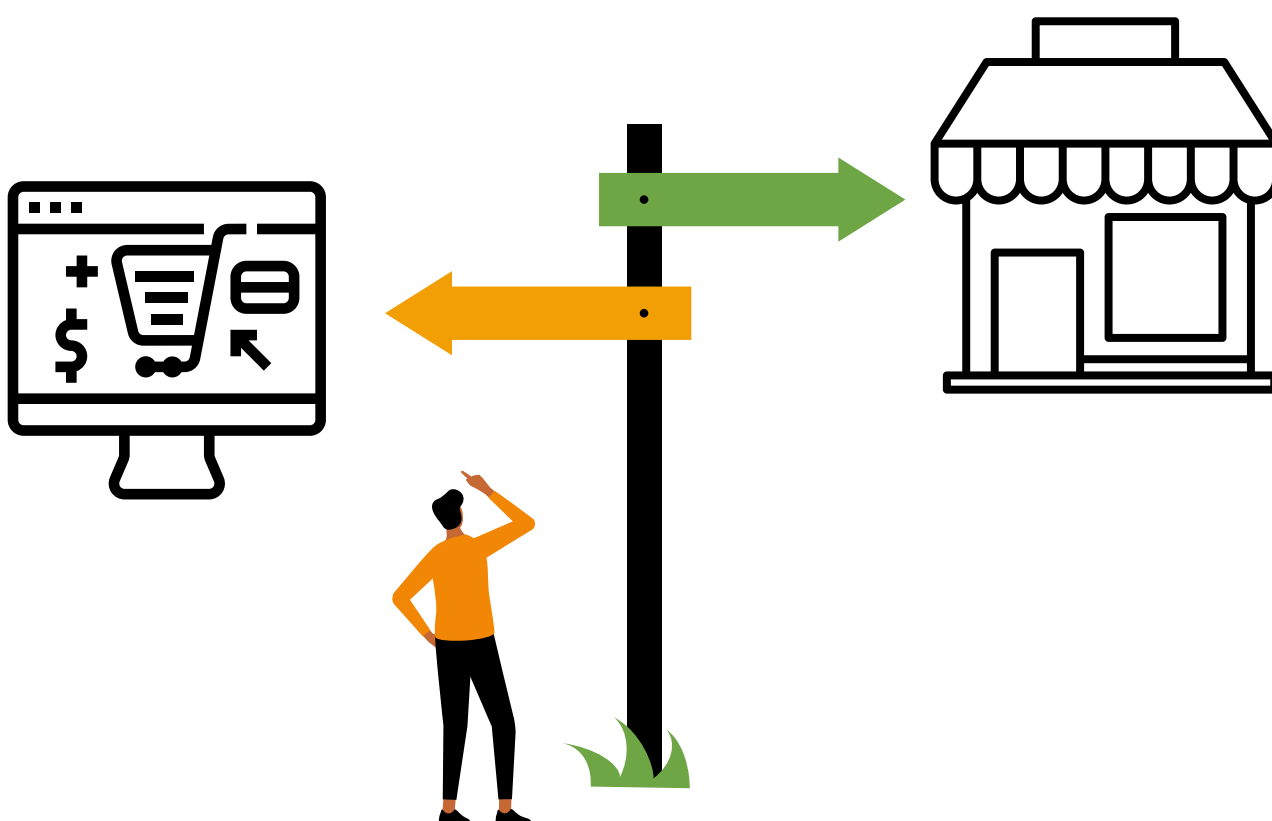


7. Virtual or physical kitchens?

This question is being asked more and more often now that virtual kitchens are more accessible than ever to the average Internet user. This question also answers the question of choosing the direct to the consumer approach (Business-To-Consumer) or the indirect approach (Business-To-Business).

Before making your decision, make sure you first go over all the options of the most important elements: storage temperature of your products, expiration date, fragility, sensitivity.

Also take a look at what is being done in the network of stores that could potentially interest you. Is there already a lot of competition? Are their products available in every store? Will you be the first or twelfth producer in this market? What service area are you targeting? Also get in touch with experts and check out the people involved in the sector or sub-sector you are targeting.



8. What rules are in force?

The food sector is characterized by all the strict rules imposed by the FASFC in Belgium. The influence of the rules and the inspection of your business will depend on the type of production you envision, as well as the type of sale (B2B vs. B2C). The usage of some ingredients is tracked more than others by the authorities. However, don't get discouraged, the whole sector is organized to work according to these standards as well as being used to it.

Based on the risks linked to your business, an agreement, authorization or registration will be required. The rules and categories are available on [the site of FASFC](#).

Other elements that require your attention when it comes to rules: the HACCP rules, expiration date and traceability.



Federal Agency
for the Safety
of the Food Chain

9. What is HACCP?

HACCP approach

The HACCP approach (Hazard Analysis Critical Control Point) is the analysis of dangerous and critical points and controlling those. It's a multi-step process that allows for hygiene to be monitored. In practice, it looks like a file that defines the risky stages of your production and the control measures in force. Different tools and structures can help you draw up this plan. Some of these are subsidized, which will really reduce your expenses.

EXPIRATION DATE

Expiration dates are put on all food products intended for sale which are not immediately consumed. Date determination is essential information for consumers and must be validated by a laboratory that is approved by the FASFC. In order to limit your testing expenses, you can carry out initial tests yourself over a period of time. Don't forget that every change to your product or production process or change of ingredients will result in a different reaction. So be sure to run these tests when your recipe is well established and to produce in the production location you are considering.



TRACEABILITY

Traceability is a mandatory measure to protect the consumer. It allows you to track sales and production chains of used ingredients to be able to identify any anomaly or contamination, before going back to all the professional buyers of products containing the "offending" ingredients.

In your day-to-day work as a producer, it'll take the form of a correspondence list between your finished products and the used ingredients, using the respective batch numbers. Digital tools will make your life a whole lot easier at a reduced budget.

Don't get discouraged when reading these factors, just ask for help from people who've already experimented with these kinds of things when you launch your project. They'll help you set up these different components easily.





10. Is it better to rent or buy when launching a business?

As for all closed questions, the answer is "that depends"

Buying can turn out to be the best option if your project can be based on an already proven experience and if you can clearly determine your needs and have the funds to invest.

If you are part of the 90% of people who want to launch their project but can't determine where or how the production volumes will evolve, who don't have the starting funds or who prefer to try to launch their project according to the "Fail fast and cheap" principle, then renting is the best option for you. Renting can offer you great flexibility and confidence in the start of your project.



11. Which hygiene rules have to be followed in your own infrastructure?

As the person responsible for your own infrastructure, you'll have to follow and apply the HACCP rules by using the self-checking system. HACCP rules include all measures to be taken by operators to ensure that operations and products comply with regulatory requirements for food safety, product quality (for which the FASFC is responsible) traceability and to verify compliance with these requirements.

So, you'll have to get a self-checking system adapted to your infrastructure and production, a plan detailing the direction of your products (circular flux), and a cleaning plan for your infrastructure. You'll also need to monitor the fridges and cold room temperatures, ensure traceability, analysis of used water, measures taken against vermin, receiving goods management, storage (of raw materials and finished products), waste, packaging, transport of food ware, internal and external sampling plan, hygiene analysis (hygienogram), calibration, maintenance and cleaning of equipment, and adherence to the cold and hot chain.



12. What about co-kitchen spaces?

The trend of working in shared spaces, as is already common in offices, is now also being adopted by the food industry, which benefits entrepreneurs who wish to launch their project cheaper and less risky. With co-kitchen spaces you either share the entire space (one big main kitchen where all entrepreneurs will meet up) or you get your own individual space that is completely equipped. There are as many options as there are places that offer this service.

The FASFC rules will still be in force but a large portion of their management will be someone else's responsibility, which gives you more time for working on your project. This option also allows for the variability of your expenses as your business evolves.

Entrepreneurs who go with this option, also experiment with partnerships between members of the co-kitchen space community, and even with co-creations or long term associations.



OWN INFRASTRUCTURE

CO-KITCHEN



- Autonomy
- Control over all spaces
- 100% availability

- Variable expenses
- Community of market players
- Partnerships
- Co-creation



- Recurring expenses of infrastructure
- Bearing responsibilities for:
 1. self-checking system
 2. circular flux
 3. cleaning plan
 4. fridge temperatures
 5. water analysis
 6. pest control
 7. receiving goods
 8. maintenance

- Storage of stock and small equipment between uses
- Planning production



**Test and validate
your project before
launching it**

13. Is it possible to produce at home?

This question arises often for food startups. As long as the basic FASFC rules are respected, including the isolation of meat, fish and dairy products, the answer is yes. However, it is worth taking a look at the economic analysis of this option.

When using home equipment intended for family use, the production volume is limited by the size and capacity of these appliances, which are intended to provide a small number of people. Think of it this way: a home oven will typically allow you to bake on 2 levels while an average professional oven has 10 levels on a double depth. Each baking session will therefore contain 20 times more sales volume than a home oven. You do the math, knowing that the equipment is capable of baking more efficiently and therefore faster.

Your salary expenses will most likely be much lower than your gains in infrastructure expenses. Besides, working at home may cause tension between you and your family who now also have to abide by the FASFC rules and who'll lose some of their privacy.

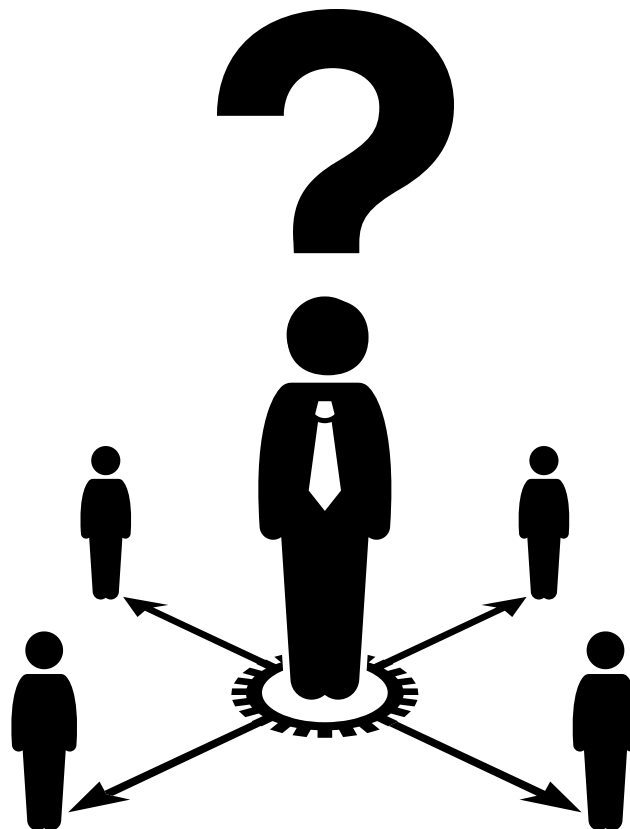


14. Produce yourself or outsource?

Not every business executive is a kitchen expert; some are marketing masters, others born sellers. It's tempting for them to stay in their chosen field and not explore areas that are unknown to them.

Subcontracting, or outsourcing, is an adequate and common option in this industry. Although, you have to keep certain starting factors in mind.

A subcontractor will ask you to commit to guaranteed minimum volumes in order for them to earn a return on their own investments in set-up and ingredients. The sales requirements from the outset will therefore be high. In the event of non-compliance with the agreed volumes, penalties may be imposed for not following agreements.

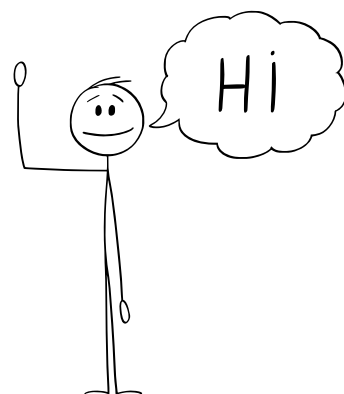


15. How to manage the transportation to your customers?

The decision of selling directly or through partners will influence your means of transportation and your service area. If you sell directly in a limited geographical area, you could consider partners on bikes or scooters, such as Molenbike or Dioxyde de Gambette. For these short distances, you can just use cooler bags suitable for fresh products.

For your more important or more distant deliveries, you should think about the transportation in bigger vehicles. Depending on the cold chain requirements of your products, consider transport at room temperature, in a refrigerated truck or a truck with negative temperatures. The lower the temperature of the products need to be, the higher the transportation costs per kilometer

Finally, also determine whether you'll invest in vehicles yourself and therefore working hours of your deliverers or whether you out-source this task. Depending on the anticipated starting point of your business, there are multiple options. However, don't forget that the sales figures in theory are always easier to realize than in reality.



16. How to be organic, local, or part of the circular economy?

These 3 notions are additional and can be viewed all together or separate, with every conceivable combination possible. The main thing is that your project is coherent and matches your philosophy.

The bio certificate in Belgium is regulated by 3 organizations of which the choice is up to you: Certisys, Quality Partner or Tüv Nord Integra. Every one of these organizations applies the national rules from the European directives.

On top of the official certifications, the recent trend of consumers is prioritizing local producers, which generates an increase in the circular economy. These last two notions benefit new projects of reduced size; an ideal movement to launch new initiatives.





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