

chising, antitrust laws, trademark laws, and the Federal Trade Commission Franchise Rule.

More Photo Business Ideas

Getting into pictures doesn't have to be restricted to photo-finishing. There's income to be made in a variety of enterprises in the field. Here are just a few:

1. Videotaping services. Use your VHS camera to capture special moments—birthday parties, weddings, graduations, high-school proms. Then make copies to sell to those attending the function. To get started: Send out a mailing that describes your service, and buy tapes at wholesale to increase your profit.

2. Enlargements/reductions. If you have a dark-room, turn it into a money-maker by offering photo enlargements and reductions, from poster size to wallet size. To get started: Take out a classified ad in your local paper so people know you're in business. Give discounts on your first efforts to capitalize on word-of-mouth publicity.

3. Vintage photo renewal. There's a market

for retaining yesterday's memories on film—before they yellow and crumble. Bring old photographs back to life using a video or still camera. To get started: Talk to local photo shops and suggest they help you promote this specialized service and feed you leads. Give them a cut on any jobs they give you.

4. Photo documentation. With a good 35-mm or VHS camera, you can provide people with indelible records of their personal belongings for insurance purposes (they may even get a reduction on their premiums with this type of documentation). To get started: Call your insurance agent and have the company recommend you to clients in need of this service.

5. Child/pet identification service. With a camera and a few supplies, turn weekends into money-earning time by providing neighbors who have children and pets a personalized photo identification packet (complete with mug shot and thumb—or paw—print). To get started: Put up notices on bulletin boards in your area, or set up a booth at your next local street fair or school bazaar.

SELLING FUN

Quick & Crazy Food

It's the Sizzling New Biz of the '90s. So Get Cooking!
The Time is Right for Smart Entrepreneurs.

Catering to the American palate is becoming a boom area of business opportunity. American tastes are changing: There's a new emphasis on foods that are natural, convenient and exotic. People are living faster, playing harder, working more—and they want foods to match the lifestyle. The old meat and potatoes TV dinner no longer fits the bill. Instead, the market is gobbling up quick, easy-to-prepare foods that are rich in flavor and low in calories. And if the gourmet concoction can be eaten on the go—or packed and carried—so much the better.

It's an area ripe for small enterprise, since the craze for local specialties and homemade taste is a direct reaction to mass-market packaged foods. More and more, people want quality, variety and a twist of the unusual—and they're willing to pay extra for that.

Though average grocery store size hasn't changed much over the past few years, the number of new products on the shelves has skyrocketed, as has the number of specialty food markets. In 1988, over 8,000 new food products were invented, tested and introduced to supermarkets and grocery stores across the country, up from 5,400 in 1984. If current growth rates continue,

the number this year is expected to reach 9,000.

Children have an enormous impact on the rise and fall in popularity of many grocery offerings, and in themselves, constitute a powerful—and growing—market. According to a survey in 1989 conducted by Rand Youth Poll, a New York market research firm, the 28 million consumers in the country between the ages of 12 and 19 influence the purchases of almost \$150 billion in family outlays—food makes up a large percentage of that.

While a few big companies still rule the shelves—RJR Nabisco, for example, claims more than one-third of the cookie aisle—there is still room for newcomers. Demographic studies indicate that Americans as a whole are “grazing”—eating less food more often. When they do shop for food, they're more likely to check out unique local and gourmet brands that reflect their own image.

This offers vast opportunities for the inventive entrepreneur. Options offered by this burgeoning market can include nutritious refrigerated food such as soups and snacks that are easy to pick up for lunch or dinner on the run; prepared foods such as specialty

SUCCESS STORY

Mary Anne Jackson, 36, entered the food business with only an idea and the desire to make it work. Three years later, her company, My Own Meals, Inc., which produces easy-to-prepare, nutritious meals for children, is getting rave reviews, and projecting revenues of close to \$10 million this year.

An 8-year financial and strategic planning veteran at Beatrice Foods in Chicago, Jackson, both a CPA and MBA, found herself suddenly out of a job when a corporate buy-out leveled the company's top management in April 1986. Six months later, Jackson made up her mind to leave the corporate world behind her and begin her own enterprise. "I knew whatever I did had to be in food, because I knew the business," she says from the Deerfield, Chicago offices of My Own Meals. "I knew it had to be a product I could fall in love with and something I could relate to, because that's what would make me successful."

Jackson developed her idea after taking several trips to the best food classroom of all—the grocery store. "I literally went up and down the food aisles in my mind looking for areas of little activity," she says. Canned foods seemed to be moving slowly, especially baby foods. Ready-mixed sauces showed some opportunity, "but I didn't want to go into something boring like canned vegetables," she says. And then there was the kid's food shelf—nearly empty. Jackson, whose daughter was then an infant, realized the time was ripe for a nourishing children's line that was easy to prepare (to appeal to the parents), yet quirky and fun (to appeal to the finicky tastes of the kids).

She first polled her husband and a few friends—many from Beatrice—to get their reactions. The feedback was encouragement enough to develop a concept and business plan. After combing cookbooks, she designed a handful of all-in-one meals and decided to use "retort" packaging—plastic containers that can be microwaved or boiled and don't need to be stored in the fridge.

salads or sauces for easy entertaining; baby foods that offer an alternative to the applesauce in a jar; picnic fare for family outings; prepackaged microwave foods that kids can make when they get home from school; and foreign-flavored foods that can add a dash of the cosmopolitan to busy lives. It's a high-margin category, though good marketing and careful adherence to Food and Drug Administration codes are musts for success.

To get started, look around you. What would you love to be able to buy at your local supermarket that's just not there? What are friends and family waxing nostalgic about when they talk of the good old days of grandma's cooking? Where have you traveled to lately that served up a local specialty your neighbors might enjoy trying? And don't overlook the obvious. Warm, home-baked chocolate-chip cookies turned out to be a multimillion-dollar business when Mrs. Fields and David's Cookies cashed in on the trend a few years ago. Food will always be a necessity,

Her next step was to send out 2,000 surveys to Chicago-area parents from a variety of ethnic and income-level groups. Results indicated the meals should be free of MSG and preservatives, and that they should avoid using hot dogs (moms question their nutritional value) and fish (kids dislike the taste and smell).

By March, 1987, she and her partner, Beth Martin, another former Beatrice manager, were ready to roll out the first My Own Meals into two Chicago grocery chains.

Entrepreneur: Mary Anne Jackson
Company: My Own Meals (MOM), Inc.
City: Chicago

Sales: \$1 million in 1988

Words of Experience: "Make sure you do your homework. When you go into a grocery store to sell your product, they want to know why they should sell it. You need to give them—to show them—a reason."



The offerings, My Turkey Meatballs, My Kind of Chicken, My Meatballs and Shells, My Favorite Pasta, and Chicken, Please—cost from \$1.69 to \$2.69.

Jackson conducted two private stock offerings in order to take the product from concept to mass distribution. Putting together a package of 22 investors that included friends and ex-colleagues, Jackson initially raised \$365,000 to get the meals into production. As sales took off, however, she realized she needed more funds to bring the product to larger distributors. Once again she turned to private investors, this time to the tune of \$1 million.

So far, My Own Meals are being distributed in ten Midwestern and three Northeastern states. By year-end, she hopes to have brought two more states onto her roster. "We haven't conquered California yet," she smiles. "That'll be our next adventure."

as well as the source of endless trends. For the creative businessperson, it can offer up the chance of lucrative, and tasty, profits.

How To Market Your Idea

The key to finding your niche on grocery shelves starts with a good idea. But that isn't enough—you must develop a marketing plan that answers these questions:

Does a market exist? In the cutthroat retail food business, you must prove not only that people will like your product, but also that they will buy it over already established name brands.

Is the product unique? A typical business catch-22: If it's not unique, you'll have to put extra muscle into promoting your product over others. If what you have is truly original, you must convince consumers—and store owners—to add your product to their regular staples.

Is it only good to eat? Consumers, especially

SUCCESS STORY

The rainy, cool climate of Seattle makes it an unlikely home for a business based on foods of the dry, arid valleys of Egypt. Yet, it was there in 1983 that Nadim Spahi, a native of Alexandria, Egypt, and a University of Washington food sciences graduate, put a family recipe to the test on grocery shelves.

His company, Nile Spice Foods, started with a basic principle: to produce and sell tasty natural foods with a

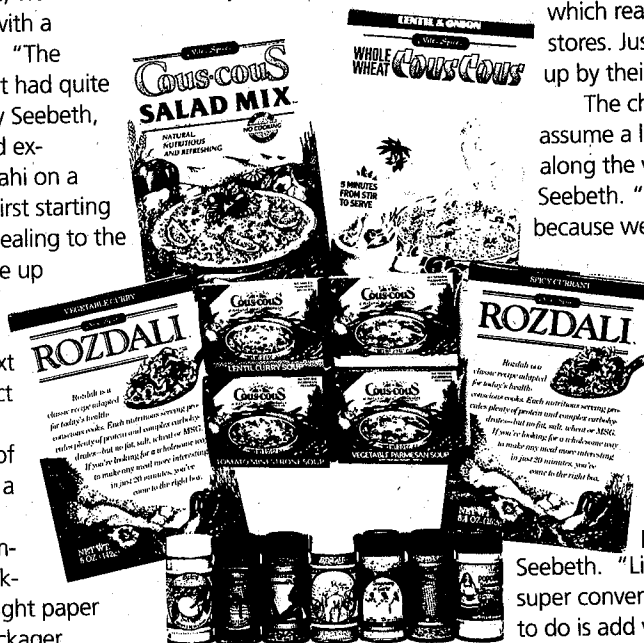
Entrepreneur: Nadim Spahi
Company: Nile Spice Foods, Inc.
City: Seattle

Sales: \$1.5 million

Words of Experience: "We felt we knew the market just by being consumers. We thought there was a need for gourmet spices, and once we had the products in the market, sales proved we were right." Judy Seebeth, national sales manager.

hint of ethnic variety. After working in quality control at a number of Seattle-area food companies, Spahi had saved enough money to quit his job and begin his own venture. The first product, Nile Spice, was based on a family recipe of sesame seeds and salt, with a cumin and coriander twist. "The seasoning as made in Egypt had quite a bit of salt in it," says Judy Seebeth, national sales manager and nutritionist, who joined Spahi on a part-time basis as he was first starting out. "To make it more appealing to the American market, we came up with a different, low-sodium form."

Marketing was the next hurdle. To give the product visual impact and help it develop a business flavor of its own, Spahi sought out a friend who was a graphic designer to create the company's logo, label and package—a glass jar with a bright paper wrapper. A local food packager



manufactured the first supply of spices in small quantities.

Choosing not to conduct mass market research, Nile Spice Foods used Seattle-area produce markets as the first testing ground. "It was a risk, but because we weren't going full bore with production, it didn't really matter," Seebeth says. The test proved both successful and profitable. Spahi added two more spices to the collection and the team approached a local grocery distributor to take on the line.

By the end of 1984, sales reached \$67,000, then doubled to \$120,000 by the end of 1985. "The profit from the spices made us enough money to live off and I could quit my other job," says Seebeth. With profit margins high and cash flowing in, Spahi decided to introduce two instant soups to the Nile label. Like the rest of the line, he chose ingredients that are natural right down to their biodegradable paper container. Sales doubled to \$240,000 in 1986, even though the profit margin on the soups was lower than on the spices.

Financial success enabled the team to open its own packaging center this year. The line, now expanded to seven seasonings, four soups and four pilafs—is carried in the United States and Canada by 100 distributors, each of which reaches between 200 and 2,000 stores. Just recently, they were picked up by their first distributor in Japan.

The chance to grow slowly and assume a low level of financial debt along the way was important, says Seebeth. "We try not to go into debt because we would put ourselves at risk. If our instincts succeed, we can make a profit and reinvest the money to grow on." Last year, sales hit \$1.5 million, and the company is beginning to eye lucrative markets in Taiwan. "We're adding three new soups this December featuring organic potatoes in flake form," says Seebeth. "Like our other soups, they'll be super convenient, so all the consumer has to do is add water, and enjoy."

children, are a picky bunch. To capture their fancy—and sell your product—you must also appeal to other senses by making it eye-catching and great smelling. Packaging is critical. Use a professional artist to create a logo and label that will grab the attention of your prospective buyer.

Food Codes To Watch Out For

To make sure your product is legal—and not lethal—follow these steps:

Apply for food permits. Before selling your product, contact your state's department of agriculture and your county's human services department for the proper permits.

Understand federal regulations. Though you don't have to provide samples of your product to the FDA, the agency does conduct routine inspections and will shut you down if you are not in compliance with its regulations. Title 21 of the Code of Federal Regulations, available at your local library, lists complete regulations on everything from sanitation and refrigeration to acceptable product ingredients and nutritional labeling. Talk to a lawyer to ensure you adhere to all proper procedures.

Michael Strand is a freelance writer living in Washington, D.C. He frequently reports on trends in small business.