

Roxy's Grilled Cheese

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Introduction

The Food Truck Landscape

Food trucks were not always the culinary force they are today; in fact the prevalence of food trucks is relatively recent, with enormous growth occurring in the segment over the last seven years. What were once considered squalid vendors with subpar offerings, food trucks have been transformed into stylishly branded catering mobiles with an array of innovative cuisines.

Many attribute the birth of the modern food truck revolution to Kogi BBQ's Korean Taco truck in Los Angeles in late 2008. Kogi BBQ rolled out a product never seen before; high quality, unique, artful flavors in a mobile format – accompanied by a strong social media campaign and devout fan base. At its start, The New York Times stated, "The food at Kogi Korean BBQ-To-Go, the taco vendor that has overtaken Los Angeles, does not fit into any known culinary category." (Steinhauer, 2009:4)

However, Kogi was the tipping point of a larger trend. The recession in the late 2000s created a harsh economic climate, particularly for hospitality businesses. Food trucks became an opportunity for entrepreneurs without the capital to begin, or maintain, brick and mortar restaurants. Initial investment cost for mobile vending is considerably less; a new truck totals somewhere from \$150,000 to \$250,000 compared to a \$1 million dollar plus restaurant venture (Miller, 2014:211). The popularity of modern food trucks received a push from high visibility in popular culture with TV shows like *The Great Food Truck Race* and *Eat Street* along with the tangential rise of smartphones and social media outlets such as, Twitter, Facebook, Instagram, Foursquare and Pinterest. Food trucks began popping up across the nation, asserting their presence – by 2011 food trucks represented the single fastest growing sector of the restaurant industry (Weber, 2012:1). Growth continued and the mobile eateries proved they had staying power. In 2014 food truck sales were estimated to be over \$5 billion (Miller, 2014:211).

To reiterate, these are not the trucks of the past. Today's food trucks have established themselves as legitimate eateries, with high sanitary standards. A study by Shah (2014:1) found that food trucks in numerous cities received the same or less health and safety violations



than their brick and mortar counterparts. In Los Angeles, food trucks received nearly half the citations. Not only have the trucks shed their unhygienic image, but they have also transformed their food product. The simplistic was substituted for the gourmet; inspiring, innovative flavors on par with those found at restaurants.

The plethora of cuisines represented by food trucks ranges almost as far as the imagination will allow, with everything from Korean tacos to Vietnamese sandwiches to Southern chicken and waffles. According to research done by the NPD group in 2014, hot sandwiches dominated the food truck scene, with 71% of trucks offering some version of a hot sandwich (other categories specified in the assessment included Mexican food, cold sandwiches, soup, salads, pasta/Italian and other) (Miller, 2014:211). While the myriad of high-quality food available is a large part of food trucks' popularity, it is the rapidity of service which further elevates the trucks' position. The NPD's assessment also found that convenience drives demand for food trucks- particularly for lunchtime and late night consumers. When surveyed, consumers indicated when pressed for time they would either order from a fast-food restaurant or skip the meal altogether – only 8% indicated they would visit a full-service restaurant (Miller, 2014:212).

The high demand for the quick-service options creates an opportunity for food trucks. Office parks and downtown hubs, particularly, offer a reliable influx of lunchtime consumers. Many parks, event centers and nightlife districts are also viable options for food trucks to drive late-night sales.

Finally, according to the NPD in (Miller, 2014: 211-214), many consumers are attracted by the novelty of mobile vending; they are hip and trendy and offer unique and one-of-kind concepts in cuisine. Fur-

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thermore, they offer an opportunity for customers to socialize while standing in line and interact with the brand through social media.

Overall, food trucks have continued to boom since their renaissance in 2008. However, fairly easy entry remains, meaning more and more trucks are on the road. Increased competition and oversaturation threaten the existing trucks as well as those looking to enter the market for the first time. Increased regulation in various cities adds additional obstacles for food truck operators. Unfortunately higher visibility to consumers also increases scrutiny from legislators, law enforcement and restaurant operators who feel threatened by their mobile cousins. While food trucks aren't expected to go back underground any time soon, the rapidity of growth may slow considerably over the next few years.

Background on Roxy's

Roxy's Grilled Cheese was an idea first conceived by James DiSabattino following graduation from college and a trip across Europe with his brother's band. With a passion for food – grilled cheese in particular – James sought to find a way to enter the food scene serving grilled cheese in a nontraditional way. He had heard of food trucks beginning to pop up in cities like Los Angeles and New York, but they were unknown and virtually non-existent in Boston. James identified using a food truck as not only an unconventional service style, but also an opportunity to create a new niche market in the Boston area. James looked to create a high quality product and employ unique branding to complete Roxy's alternative, progressive concept.

With the acquisition and refurbishment of an old hot dog truck, Roxy's Grilled Cheese began serving up sandwiches in March 2011. Mere weeks later, James and his team were offered a slot to participate in the second season of Food Network's *The Great Food Truck Race* television show. The truck's presence in Boston was temporarily put on hiatus and they relocated to Los Angeles for filming. As the Roxy's truck was moved, a clever social media campaign falsely declared the truck missing and asked followers and fans to help find it. This gener-

ated huge awareness for Roxy's, even beyond the Boston area. This, coupled with rumors of their participation on the show, garnered Roxy's a highly anticipated return to Boston after the completion of filming. The actual airing of the program further solidified Roxy's presence and the business took off. The staff increased exponentially and long lines of hungry customers became the norm.

While today many will still wait patiently to get a taste of Roxy's food, the operation has been streamlined – and it has expanded. Roxy's now has approximately 30 employees and earns over \$1.5 million annually in sales revenue. It is home to two food trucks, a catering business and a brick and mortar location in Allston, Massachusetts, with more locations and opportunities on the horizon.

The core of Roxy's product is its "next level" or gourmet grilled cheese sandwiches. They strive to use the highest quality ingredients – locally sourced fresh breads, meats, cheeses, and house made condiments – paired in unique flavor combinations to offer a grilled cheese sandwich guests may not have encountered before. Their words say it best: "We don't make your grandma's grilled cheese. We can if you'd like us to, but if you leave it up to us, we're going to put our own twist on things." Take for example the popular "Green Muenster" featuring Muenster cheese, guacamole and bacon; or the store's ode to its neighborhood, "The Allston," which consists of goat cheese, fig jam, caramelized onions and arugula. These two signature sandwiches comprise 80 % of their menu mix.

Also available on the food trucks are Roxy's signature truffle fries, homemade soup and homemade drinks. The brick and mortar store additionally offers a larger selection of grilled cheese sandwiches, burgers, poutine and beer.

Boston's Food Truck Landscape

At the time of Roxy's establishment in March 2011, food trucks had little to no presence in Boston. The City of Boston officially states July of 2011 as when Boston's trucks first "hit the streets" – pinpointing the launch of the city's licensing program (City of Boston). There are various ways food trucks can legally operate in Boston but the most common is the through this program (as opposed to operating on private property). The program is a lottery system in which licensed trucks enter a pool competing for spots around the Boston. Currently there are 22 spots broken into different time slots, breakfast, lunch and dinner, for a total of 351 slots total (Borchers, 2015). Back when the program began, there were only about 15 trucks (Ross, 2015:1). That has increased 5 times over during the course of the last 4 years, with 81 trucks now licensed in Boston (Borchers, 2015:4).

Growth has been fueled by fairly easy entry, visibility and growing demand. Licenses for food trucks are much less difficult to acquire than nabbing one of the coveted time slots offered in the city's lottery program. While the number of trucks competing has grown

significantly, the limited number of spots available to vendors hasn't, making it much more difficult for the trucks to earn primetime spots. However, with the growth of food trucks in Boston, in line with trends nationwide, the consumer demand has increased as well. The view of food trucks as not only a legitimate food source – rather than a “roach coach” riddled with microbial woes – but a fun, hip, alternative one, has impacted the demand immensely. Exposure at events around the city, such as Boston's popular SoWa (South of Washington) Markets, the first Boston Food Truck Festival, a NYC vs. Boston Food Truck Throwdown, and of course national presence on aforementioned TV shows, has encouraged consumers try these mobile eateries. Once hooked, many trucks manage to create intensely loyal fan bases.

The Boston food truck scene, as noted earlier, has been growing steadily, with 81 trucks currently in the market. From tacos, Asian street food, cookies, burgers, healthy eats, waffles, fries and, of course, grilled cheese, these trucks span a wide range of cuisines. Roxy's Grilled Cheese is the only truck in the Boston area which focuses solely on gourmet grilled cheese sandwiches. Given the competitive nature of the Boston food truck climate, Roxy's current monopoly on grilled cheese creates a key point of difference from other trucks and gives them a competitive advantage.

Roxy's Grilled Cheese: Process and Operations

Roxy's has very high standards when it comes to evaluating potential staff members, the most important criteria being high emotional intelligence. The idea is to recruit people who have the ability to think quickly under pressure, are adaptable, highly empathetic and have a strong focus on the guest experience. Roxy's seeks to infuse the food truck experience with a dose of genuine hospitality. Team members work to create an above average experience for guests, which is more indicative of a full service restaurant than a fast food truck. Employees are cross-trained so that staff members can complete a variety of tasks at any given time. This is vital to the operation as staff needs vary greatly – while the most employees needed at any given time is 6, the truck can operate effectively in slower times with 3 staff members working multiple stations. Due to Roxy's hiring and training practices, the staff is adequately prepared with both the technical and emotional skills required for the job.

Grilled cheese sandwiches can be crafted through a few different methods. Some operations use timed sandwich presses or elaborate machinery, but Roxy's uses just a grill for its sandwiches. Sandwich ingredients are preassembled ahead of time with most work done at the commissary – a workspace or depot where you prep food and store food overnight (Weber, 2012: 99) – the night before or morning of service. Fresh, perishable ingredients are added to order just before placement on the grill. Roxy's had been making their sandwiches completely to order however this resulted in incredibly long wait times for customers. Roxy's doesn't often honor substitution requests, which would slow the process further.



Roxy's process can be lengthy. Roxy's grilled cheese sandwiches, in general, take time to cook; the average sandwich takes approximately 6 minutes on the grill. The grill's capacity allows to place up to 12 sandwiches. In a competitive set where guests expect a speedy turnaround, throughput time is extremely important and poses a constant challenge to Roxy's. Their flow of processes needs to be extremely efficient to keep up with demand and keep guests satisfied. The layout of the truck, the preparation done in advance and the staff training all contribute to the efficiency of truck operations; “the strict constraints on size mean that each decision made about the design or operation matters more.” (Weber, 2012: xiv).

Process and Operational Analysis

James recently collaborated with a group of college students to conduct a service delivery study and perform a bottleneck analysis. Process-focused organizations often experience that for various reasons some parts of the system have less capacity than others. Bottlenecks are constraints that limit the output of production.

Current Situation

As their popularity has grown and the number of customers has increased, the food truck is no longer able to efficiently service customers with its current layout. James has decided to set aside funds for improving Roxy's process, operation and design.

Actions

A bottleneck analysis could determine if shifting tasks and adding employees would improve the service delivery system. Redesigning the food truck and equipment placement could potentially improve operational efficiency.

At the beginning of study, four employees were scheduled on then food truck. The bottleneck analysis is a diagnostic tool that allows operators to uncover issues related to capacity management. The Roxy's service delivery process is summarized in Table 1:

Note: Students are expected to calculate answers for throughput time, rate per minute and per hour.

Table 1

Roxy’s Process Analysis – Student Activity

| | Employee 1 Order Taker | Employee 2 Grill Person | Employee 3 Fry Person | Employee 4 Expediter |
|-----------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------------------------------|
| Task | Task 1: Takes Order & Accept Payment Task 2: Get Drinks | Task 1: Put Sandwich on Grill Task 2: Grill Sandwich Task 3: Cut & Package Sandwich | Task 1: Cook & Season Fries Task 2: Package Fries | Task 1: Assemble Order Task 2: Hand Order to Guest |
| Task Length | Task 1: 25 seconds Task 2: 20 seconds | Task 1: 10 seconds Task 2: 360 seconds Task 3: 15 seconds | Task 1: 150 seconds Task 2: 30 seconds | Task 1: 20 seconds Task 2: 10 seconds |
| Throughput Time | Answer: | Answer: | Answer: | Answer: |
| Throughput Rate per Minute | Answer: | Answer: | Answer: | Answer: |
| Throughput Rate Per Hour | Answer: | Answer: | Answer: | Answer: |

Related Definitions:

Throughput Time – The time spent by a customer in the food truck system.

Throughput Rate – The number of customers moving through the system in a given unit of time. The throughput rate can be calculated for each task completed in the food truck system by using the following equation: 1/Throughput Time

Bottleneck – This task has the lowest throughput rate. The bottleneck (task or position) will constrain the capacity of the entire operation.

Questions

1. Please examine Table 1.
 - 1.1. What is the throughput time? What is the current throughput rate per minute and per hour assuming that each sandwich is made to order? What is maximum or total capacity of the food truck operation?
 - 1.2. Who is the bottleneck, if any?
 - 1.3. Add two more employees and rearrange the food truck operation by shifting tasks between the employees in order to possibly relieve the bottleneck and achieve the highest possible total capacity.
 - 1.4. Re-calculate the throughput rate again per hour and in minutes.

Truck Layout

James also asked the students to examine the layout of the food truck and its operational efficiency. Roxy’s first truck is a retrofitted hot

dog truck. It features a single window, is about 27 feet long and 7 feet wide. The actual preparation area is about 24 feet by 7 feet.

The prep area components include:

- A) Prep table
- B) Reach-in refrigerator
- C) Deep Fryer
- D) Range
- E) Small Sandwich Grill
- F) Work top cooler
- G) Reach-in refrigerator (2)
- H) Beverage station
- I) Freezer
- J) Steam table
- K) Two basin sink
- L) Hand sink

The layout is depicted in the following Figure 1.

Question

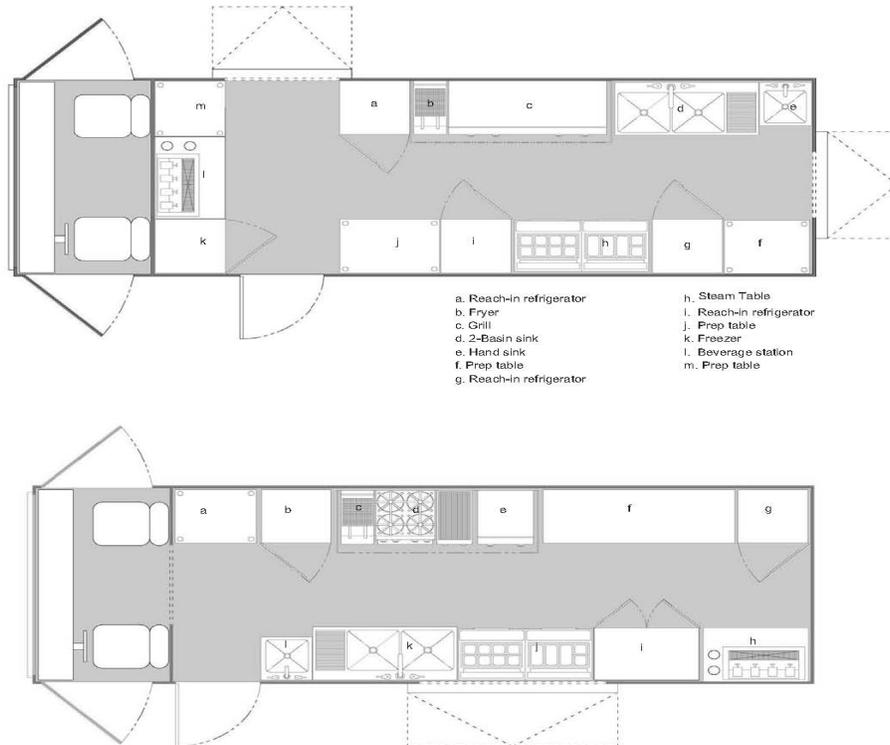
2. The team at Roxy’s is looking for advice as to how the layout can be rearranged and/or include new equipment to become more efficient.

For Further Discussion

3. What are the pros and cons of starting a food truck?
 - 3.1. Many of food truck operators are interested in adding a

Figure 1

Existing Food Truck Layout



brick-and-mortar location. Why is that?

3.2. How can traditional restaurant chains benefit from using food trucks?

4. As discussed in the case, during busy times, total wait times from arrival to departure can be upwards of 20 minutes. There may be unusual tactics Roxy's can use to better engage guests and keep them satisfied during long wait periods. What might some be?

Waiting Line Management Basics:

According to the seminal article of Maister (1985), customers will better tolerate waiting times if we consider the following four principles.

- Unoccupied Time Feels Longer Than occupied Time
- Uncertain or Unexplained Waits Feel Longer Than Explained Waits
- Anxious or Uncomfortable Waits Feel Longer Than Comfortable Ones
- Waits Feel Shorter if the Physical Waiting is Eliminated

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