

# 1. Introduction and Qualification

Economic Viability of Shared-Use Kitchens

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## **What is the purpose of this study?**

The purpose of the study is to determine the factors that enhance shared-use kitchen viability and sustainability and the economic impact of shared-use kitchens.

## **What will I do if I choose to be in this study?**

If you choose to participate in Phase 1 of the study, you will answer a 15-minute online survey. You can also choose to participate in the next two phases of the study. Phase 2 is a more in-depth online survey, will take an additional 25 minutes, and can be accessed immediately after Phase 1. Phase 3 is a phone interview later in the spring, which may take approximately 30 minutes of your time. You do not have to participate in Phase 2 to participate in Phase 3.

## **How long will I be in the study?**

The survey will only take 15 minutes for Phase 1. You can choose to continue onto Phase 2, which is approximately 25 minutes and/or Phase 3, which is approximately 30 minutes.

**What are the possible risks or discomforts?**

There are no risks to you to be part of the study. All of your answers are confidential. The results will only be published in the aggregate.

**Are there any potential benefits?**

There are benefits to you and other food entrepreneurs who would like to understand how they could manage their kitchens better once we are able to publish the results of the study. The study will also provide information on the economic impact of commercial kitchens. The data will also be used to develop outreach materials for food entrepreneurs.

**Will I receive payment or other incentive?**

There are no incentives for Phase 1. However, you will receive a \$25 Amazon gift card if you choose to participate and complete Phase 2. You will also receive \$25 Amazon gift card for participating and completing Phase 3.

**Will information about me and my participation be kept confidential?**

Your participation and your responses are confidential. Only the research team will have access to your identifiable information linked to your responses. Results will be published as aggregate information. The project's research

records may be reviewed by departments at Purdue University responsible for regulatory and research oversight.

**What are my rights if I take part in this study?**

Your participation in this study and all three phases of the study is voluntary. You may choose not to participate or, if you agree to participate, you can withdraw your participation at any time without penalty or loss of benefits to which you are otherwise entitled.

**Who can I contact if I have questions about the study?**

If you have questions, comments or concerns about this research project, you can talk to one of the researchers. Please contact Dr. Maria Marshall at 765-494-4268.

If you have questions about your rights while taking part in the study or have concerns about the treatment of research participants, please call the Human Research Protection Program at (765) 494-5942, email ([irb@purdue.edu](mailto:irb@purdue.edu)) or write to: Human Research Protection Program - Purdue University

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**IRB No. 1606017898**

The purpose of this survey is to understand how commercial kitchens broadly defined are structured and to identify the contributing factors for their economic

success. Your answers will be completely confidential and will be only used for research purposes. We appreciate your cooperation.

How do you define your organization?

- Shared-Use Kitchen
- Kitchen Incubator
- Community Kitchen
- Co-packer/Processing Center
- Other (Please Specify.)

From now on, your organization will be referred to as *the business* in this survey.

Are you an owner or a manager of the business?

- Yes
- No (Please specify.)

If yes, please select your job title.

- Owner
- Manager

Both

## General Information

What is the Zip code of your business location?

Can you tell us which state your business is located at?

What year did your business begin operating? (Please enter 4 digit numbers)

Are you still operating?

Yes

No

How long did your business operate? (ex. 2 Years and 5 Months)

Why did you close your business? (Please specify.)

After the closure of your business, is the place still being used as a kitchen facility?

Yes (Please specify.)

No

Do not know.

For the rest of the survey, please continue to answer questions about the business as when it was in operation. Please skip the questions that are not applicable.

What is the legal status of your organization?

Nonprofit

Cooperative

LLC (Limited Liability Corporation)

Partnership

Sole-Proprietor

Other (Please specify.)

Is the primary goal of your business profit oriented or community oriented?

Profit-Oriented : The primary objective of your business is to make a profit.

Community-Oriented : The primary objective of your business is for community development.

Other (Please specify.)

Do you use information from any of the following organizations?  
Please check all that apply.

Universities

University Extension Service

Small Business Development Centers

Chambers of Commerce

Community Development Organizations

Community Colleges

Consultancy Firms

Other (Please specify.)

What function does your business provide? Using the following descriptions, please choose the categories that match to your facility. (Please choose all that apply.)

A kitchen that ..

- Helps remove restrictive barriers of high-cost capital investment associated with leasing or purchasing a kitchen and equipment
- Allows specialty food businesses the opportunity to start up
- Allows specialty food businesses the opportunity to grow at their own pace
- Offer resources related to distribution, branding, marketing, accounting, insurance, and financing new products
- Reduce the risk of failure by removing additional start-up barriers associated with limited skills in managing and maintaining a commercial kitchen
- Has minimal infrastructure, equipment, and business support
- Manufactures and packages foods according to other food businesses' specifications
- Has primary income as a separate business and leases kitchen when it is not in use (i.e. restaurants, function space)

Is the building where your business is located, owned by your business or leased from others?

- Owned (Please use the space here if there are additional information.)



Leased (Please use the space here if there are additional information.)

Other (Please use the space here if there are additional information.)

What is the total square footage of the kitchen facility? (Please enter a number.)

This area includes.. (Please check all that apply.)

Shared space

Office space

Store front retail

Loading dock

Storage

Meeting space

Other (Please specify.)

## Equipment

What is your perception about your kitchen equipment?

Basic

Specialized

Highly Specialized

Given the equipment in your kitchen, what type of products could be produced in your business? (Please choose all that apply.)

Food for catering events

Food for food trucks service

Breads, cookies and other baked goods

Sauces (BBQ, mustard, salsa etc)

Jams, jellies and syrups

Candies

Fermented food

Allergy sensitive (Gluten-free, nut-free, etc)

Other (Please specify.)

As your business grew, what type of equipment did you add?  
(Please specify.)

What type of equipment has little use today? (Please specify.)

What type of equipment do you want to add in the future? (Please specify.)

If you were to start a kitchen today, what SPECIFIC equipment would you want to have in the beginning? (Please specify.)

**Clients**

How many clients on average did your business host during the 2012 to 2016 calendar year? (Please enter a number.)

What is the percentage of the makeup of your clients? (Please enter numbers. The total must sum up to 100.)

Farmers

Food businesses

Educators

Others (Please specify.)

Total

Do you provide technical assistance or education for your clients?

Yes

No

What kind of technical assistance or education do you provide? (Please check all that apply.)

Help with licenses or certifications

Business Counseling

- Branding/ Marketing
- Product Development
- Help Finding Buyers
- Food safety regulation
- Other (Please specify.)

Do you keep track of clients' successes or failures?

- Yes
- No

How do you measure clients' successes or failures? (Please check all that apply.)

- Job Creation
- Product Growth
- Revenue Growth
- Product Mix Growth
- Contract Types
- Number of Contracts
- Other (Please specify. )

How many years do you keep track of clients' successes or failures? (Please enter a number.)

On average, how many of your clients are profitable? (Please enter a number.)

How many clients discontinued operation at your facility this past year? (Please enter a number.)

How many clients were new to your business this past year? (Please enter a number.)

How many of your clients are women or racial minorities? (Please enter a number.)

In which market channels (where) do your clients sell their products? (Please check all that apply.)

- Direct to consumer : Selling directly to the person eating/cooking food.
- Intermediated :Selling to a business that sells to the consumer, either prepared or not
- Wholesale : Selling to distributor or large retailer where your product is sold in multiple locations
- Other (Please specify. )

If you chose Direct to consumer, what are the specific market channels? (Please check all that apply.)

- Farmer's market
- On-farm Market
- Roadside Stand
- Community Supported Agriculture (CSA)
- Food Truck
- Catering
- Buying Club
- Your Own Business Website
- Other (Please specify.)

If you chose intermediated, what are the specific market channels?  
(Please check all that apply.)

- Local retail store or grocery
- Local restaurant, school, institution or food service operation
- Food Hub
- Online sales with other local businesses
- Other (Please specify.)

If you chose wholesale, what are the specific market channels?  
(Please check all that apply.)

- Grocery Retailer
- Restaurant
- Distributor or Broker
- Other (Please specify.)

How do you market the availability of your kitchen to potential clients? (Please check all that apply.)

- Paid advertisement
- Social media
- Community networks
- Word of mouth
- Email Marketing



Referrals from other organizations

Other (Please specify.)

Are there any other food processing facility available for your clients nearby?

Yes

No

Are there Shared-use kitchens nearby?

Yes

No

Are there Kitchen Incubators nearby?

Yes

No

Are there Community Kitchens nearby?

Yes

No

Are there Co-packers or Processing Centers nearby?

Yes

No

Other (Please specify.)

## Employees/Workers

Please list the number of staff that your kitchen employed in the 2016 calendar year in the following categories. This is not the staff of kitchen clients. (Please enter a number.)

Full-time, Year-round Employees	<input type="text"/>
Part-time Year-round Employees	<input type="text"/>
Seasonal Employees	<input type="text"/>
Unpaid Interns/Apprentices	<input type="text"/>
Cooperative Member Volunteers	<input type="text"/>
Regular Volunteers	<input type="text"/>
Occasional Volunteers	<input type="text"/>
Consultants	<input type="text"/>
Other (Please specify)	<input type="text"/>

## Operation

What is the best description of your pricing structure? (Please check all that apply.)

Hourly Rental

Membership

Cooperative

Other (Please specify.)

Please specify the length of membership per payment.

Weekly

Monthly

Annually

Other (Please specify.)

What is the average rate in dollars for the "Hourly Rental" you have indicated"?

What is the average rate in dollars for the "Membership" you have indicated?

What is the average rate in dollars for the "Cooperative" you have indicated"?

What is the average rate in dollars for the "Other" pricing structure you have indicated?

How many rent-able hours per week does your facility offer?  
(Please enter a number.)

*For example, if a kitchen can accommodate 2 users and is open 24 hours 7 days a week (168 hours per week), then 2 users \* 168 hours per week = 336 rent-able hours.*

{q://QID107/ChoiceTextEntryValue} hours of the available time you indicated, what percent is actually in use? (Please enter a number.)

0 10 20 30 40 50 60 70 80 90 100

% of time  
actually in use

What was your average **annual total revenue** from 2012 to 2016? (If you started or closed your operations during this period, please submit any average you have.)

Please enter a number.

Do not know.

Refuse to answer.

If you don't feel comfortable providing a number, please check a category.

Less than \$100,000

\$100,000 -\$499,999

\$500,000 -\$999,999

\$1 million -\$1,499,999

\$1.5 million -\$1,999,999

- \$2 million - \$2,499,999
- More than \$2.5 million
- Do not know.

What was your average **annual total expense** from 2012 to 2016?  
(If you started or closed your operations during this period, please submit any average you have.)

- Please enter a number.

- Do not know.
- Refuse to answer.

If you don't feel comfortable providing an exact number, please indicate a range for your Total Annual Operating Expenses.

- Less than \$100,000
- \$100,000 - \$499,999
- \$500,000 - \$999,999
- \$1 million - \$1,499,999
- \$1.5 million - \$1,999,999
- \$2 million - \$2,499,999
- More than \$2.5 million
- Do not know.

Were you profitable in the calendar year 2016?

Yes

No

What was your average **annual profit** from 2012 to 2016? (If you started or closed your operations during this period, please submit any average you have.)

Please enter a number.

Do not know.

Refuse to answer.

If you don't feel comfortable providing a number, please check a category.

Less than \$50,000

\$50,000 -\$99,999

\$100,000 -\$149,999

\$150,000 -\$199,999

\$200,000 -\$249,999

\$250,000- \$299,999

More than \$300,000

Do not know.

How long did it take to break-even after the start of your operations?

*(ex. 2 Years and 5 Months)*

Please enter the length.

Do not know.

Was the length as you expected?

Yes

No

How were funds secured to begin operation of your kitchen facility?

*(Please check all that apply.)*

Government funding

In-kind support/Donations

Bank loans

Private Investors

Organization's and/or founder's own funds

Other (Please Specify.)



How dependent is your kitchen facility on grant funding from public and/or private sources to carry out core kitchen facility functions (i.e. equipment maintenance, ongoing utility costs, scheduling)?

- Completely Dependent (Over 75%)
- Highly Dependent (51% to 75%)
- Somewhat dependent (26% to 50%)
- Less dependent (1% to 25%)
- Not at all dependent (0%)

Is the business your main source of income?

- Yes
- No

Overall, how successful is your business today?

- Not at all successful
- Just slightly successful
- Moderately successful
- Very successful
- Extremely successful

## Owner/Managers

How many years of experience do you have in the food industry?

Please enter a number.

What is the highest level of education you have received?

- Less than high school
- High school graduate or equivalent
- Some college, no degree
- Associate degree, graduate of vocational or technical trade school
- Bachelor's degree from college or university
- Some graduate work
- Graduate or professional degree

What year were you born?

Please enter a number.

What is your gender?

- Male
- Female
- Trans

Other (Please specify.)

Refuse to answer.

Which of the following best describes your race?

African-American or Black

Asian

Native American or Alaskan Native

Pacific Islander or Native Hawaiian

White

Multi-Racial

Something Else

Are you Latino?

Yes

No

Please tell us more about your experiences operating the business.

How do you define success?

What do you consider as the most successful aspect of the business?

What do you consider the biggest challenge in operating the business?

If you could give advice to those interested in starting a kitchen business, what would it be?

**Phase 1 Closing Sentence**

Thank you very much for participating in the Shared-Use Kitchen Project. You have made a valuable contribution to our research and we highly appreciate your participation. Our results will better inform communities on the impacts and role that commercial kitchens such as shared-use kitchens have on the local community. Please click on the arrow button to enter your results.

## **Phase 2 : Economic Impact Survey**

Thank you for taking Part I of our kitchen survey. You will receive a \$25 Amazon Gift Card when you complete Part II of our survey. This portion of the survey will take approximately 25 minutes once you have your financial records in hand.

The purpose of Part II is to learn more about the economic impact that kitchens have on the communities where they operate. Our results will be shared widely so that anyone can understand the economic contribution a kitchen can have locally, including policy makers, granting and economic development organizations.

We will ask detailed information to assist in creating the economic model, but we ensure that your identifying information will be kept confidential. No one reading our report will know the financial information disclosed on this survey.

We do hope you choose to make this contribution to the research that will better inform stakeholders of the value of shared-use kitchens.

If you would like to participate in the economic impact survey, please select Yes.

Yes

No

The questions asked helps the researchers better understand the economic linkages that occur due to the start and operations of a  $\${q://QID77/ChoiceGroup/SelectedChoices}$ . Having data to articulate the economic viewpoint of the  $\${q://QID77/ChoiceGroup/SelectedChoices}$  helps tell the story to community decision makers and investors. In the event you are not sure of the exact value, please offer your best estimate.

What is the number of paid positions and their associated wages? Please enter a number. *Note: if you have a mix of full-time and part-time employees, count the full time employee as a full number (e.g. 1) and a part-time a portion of full number (e.g. 0.5).*

	Paid Positions	Total Wage in \$
Start of $\${q://QID77/ChoiceGroup/SelectedChoices}$	<input type="text"/>	<input type="text"/>
In 2016	<input type="text"/>	<input type="text"/>

What was the annual revenue of

the  $\{q://QID77/ChoiceGroup/SelectedChoices\}$  ? (Please enter in \$ amount.)

Revenue of t  
 $\{q://QID77/ChoiceGroup/$

Start of  
 $\{q://QID77/ChoiceGroup/SelectedChoices\}$

In 2016

Is the revenue received solely from the clients of  
the  $\{q://QID77/ChoiceGroup/SelectedChoices\}$ ?

Yes

No

You indicated that other revenue streams existed for your business. Please detail  
the other sources of revenue, the share of the revenue earned and whether this  
revenue source has increased or decreased from the start.

Share of Revenue  
(%)

Increase/Decrease  
from Start

Revenue Stream 1

	Share of Revenue (%)	Increase/Decrease from Start
Revenue Stream 2 <input type="text"/>	<input type="text"/>	<input type="text"/>
Revenue Stream 3 <input type="text"/>	<input type="text"/>	<input type="text"/>
Revenue Stream 4 <input type="text"/>	<input type="text"/>	<input type="text"/>

If the revenue increased from the start of the  $\{q://QID77/ChoiceGroup/SelectedChoices\}$  to 2016, what was the reason for the increase?

- More  $\{q://QID77/ChoiceGroup/SelectedChoices\}$  clients
- Increased rental/lease fees
- Expanded success of existing  $\{q://QID77/ChoiceGroup/SelectedChoices\}$  clients
- Increase in hours of  $\{q://QID77/ChoiceGroup/SelectedChoices\}$
- Expanded secondary usage



Other (Please specify.)

If you track this information, what was the  $\$ \{q://QID77/ChoiceGroup/SelectedChoices\}$  clients' sales?

Clients' sales (in \$)

At the start of  $\$ \{q://QID77/ChoiceGroup/SelectedChoices\}$

In 2016

I don't track this information (type 999)

What percentage of the clients' sales can be attributed to their ability to use the  $\$ \{q://QID77/ChoiceGroup/SelectedChoices\}$ ? (Please enter a number.)

Please share the kitchen appliances expenses related to **starting up** the  $\$ \{q://QID77/ChoiceGroup/SelectedChoices\}$  in  $\$ \{q://QID15/ChoiceTextEntryValue\}$ . If you know what percentage of the purchased products came from an in-state supplier or manufacturer, that helps us have a more accurate economic impact picture.

Money spent on  
Expenses (Value in \$)

Share of expenses that  
were purchased in-state  
(%)

## Kitchen

Appliances:  
small and large  
appliances such  
as refrigerators,  
food driers, meat  
slicer, mixers,  
etc.

## Kitchen

supplies: non-  
appliance items  
such as knife set,  
silverware,  
tables, etc.

Paper/plastic  
products: office  
paper, paper  
towels, plastic  
wrap, etc.

Facility use:  
Purchase, Lease  
or Rental of  
Space expense

Maintenance:  
Includes repair  
of appliances,  
chemical  
cleaning  
products,  
cleaning  
supplies,  
cleaning  
services, etc.

Construction:  
Including any  
materials or  
labor associated  
with remodeling  
or construction

General retail:  
Includes  
clothing, shoes,  
electronics,  
sporting goods,  
etc.

Utilities:  
Including  
internet, TV  
services,  
garbage, gas,  
water, electric,  
etc. that are not  
included in  
rent/lease

Capital  
Expenses:  
Includes  
principal,  
interest on debt

Services:  
Includes  
insurance,  
marketing, etc.

Transportation:  
Gas,  
maintenance,  
public  
transportation  
and other non-  
airline expenses

Miscellaneous:  
Spending not  
covered in  
another category

Total

Please share the kitchen appliances expenses related to the **2016**  
**#{q://QID77/ChoiceGroup/SelectedChoices}'s operations**. If you know what  
percentage of the purchased products came from an in-state supplier or  
manufacturer, that helps us have a more accurate economic impact picture.

Money spent on  
Expenses (Value in \$)

Share of expenses that  
were purchased in-state  
(%)

Kitchen  
appliances: small  
and large  
appliances such  
as refrigerators,  
food driers, meat  
slicer, mixers,  
etc.

	Money spent on Expenses (Value in \$)	Share of expenses that were purchased in-state (%)
Kitchen supplies: non-appliance items such as knife set, silverware, tables, etc.	<input type="text"/>	<input type="text"/>
Paper/plastic products: office paper, paper towels, plastic wrap, etc.	<input type="text"/>	<input type="text"/>
Facility use: Purchase, Lease or Rental of Space expense	<input type="text"/>	<input type="text"/>
Maintenance: Includes repair of appliances, chemical cleaning products, cleaning supplies, cleaning services, etc.	<input type="text"/>	<input type="text"/>
Construction: Including any materials or labor associated with remodeling or construction	<input type="text"/>	<input type="text"/>

	Money spent on Expenses (Value in \$)	Share of expenses that were purchased in-state (%)
General retail: Includes clothing, shoes, electronics, sporting goods, etc.	<input type="text"/>	<input type="text"/>
Utilities: Including internet, TV services, garbage, gas, water, electric, etc. that are not included in rent/lease	<input type="text"/>	<input type="text"/>
Capital Expenses: Includes principal, interest on debt	<input type="text"/>	<input type="text"/>
Services: Includes insurance, marketing, etc.	<input type="text"/>	<input type="text"/>
Transportation: Gas, maintenance, public transportation and other non-airline expenses	<input type="text"/>	<input type="text"/>

	Money spent on Expenses (Value in \$)	Share of expenses that were purchased in-state (%)
Miscellaneous: Spending not covered in another category	<input type="text"/>	<input type="text"/>
Total	<input type="text"/>	<input type="text"/>

Thank you very much for your continued participation in the shared-use kitchen project. You have made a valuable contribution to our research and we highly appreciate your participation. Our results will better inform communities on the impacts and role that commercial kitchens such as shared-use kitchens have on the local community. If you would like to receive a \$25 Amazon Gift Card, please provide your name and email address here.

First Name:

Last Name:

Email:

### **Phase 3: Contact Information for case study**

Part of this research includes outreach to existing and potential kitchen businesses. Case studies that communicate your experience starting or running a business are valuable for peer to peer learning. If you are willing to share your kitchen story via a combination of online and phone interviews, we are offering a financial reward of \$25 amazon gift card for your time. We will have a short

interview asking about your planning process; design and equipment; operations and sustainability. Your case study will highlight the challenges and successes of your business.

If you are interested in working with to use your business as a case study, please select Yes.

Yes

No

Please provide your information here. The information will be completely confidential and only used for the research purpose.

Organization Name

Address of the business

Street

City



State

Zipcode

Name of respondent

Job title of respondent

Best phone number of respondent

Email of respondent

### **Phase 3 closing sentence**

Thank you very much for your continued participation in the survey. You have made an important contribution to our research and we highly appreciate your

participation. Our results will better inform communities on the impacts and role that commercial kitchens such as shared-use kitchens have on the local community.

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