

Shared-Use Kitchen Development and Support

2018 NACDEP PRE-CONFERENCE WORKSHOP

A solid orange horizontal bar at the bottom of the slide.

Introductions

Jodee Ellett, Purdue University Extension, Local Food Program

Tanya Hall, Purdue University Extension

Ashley Colpaart, The Food Corridor

Dawn Meader McCausland, Fruition Planning & Management

PURDUE EXTENSION

THE
FOOD
CORRIDOR

FRUITION
planning & management

Funding



2015 Research and Education Grant
Economic Viability of Shared-Use Kitchens
Award LNC 15-374

Group Introductions

Name

Familiarity or Experience with Shared Kitchens and/or Incubators

Goals for the Day

Agenda

9:00am - Group Introductions and Goals

9:20am - The Shared Kitchen Landscape: Emerging Definitions and Models

10:30am - Purdue Extension Shared Kitchen Study

11:30am - Planning for Success: The Kitchen Development Process

11:45am - 1:00pm - LUNCH

1:00pm - Management Essentials

1:30pm - Economic Impact Research

2:00pm - Shared Kitchen Panel Discussion

3:00pm - Cleveland Culinary Launch and Kitchen Tour

4:30pm - Return to hotel

The Shared Kitchen Landscape

Trends

Rapid growth

Diversity of kitchen models

Increased public and private investment

Expanding role of kitchens in community and business support

- Rental uses
- Programming
- Partnerships

Inclusion of shared kitchens in other facilities as accessory use

- Affordable housing, event centers, etc.

Challenges

Inconsistent performance among kitchens and incubators

Lack of open source guidance

Limited research on successful practices and models

Limited research on industry outcomes

Definitions and Models

| | | |
|---|---|--|
|  <p>Shared Kitchens</p> |  <p>Incubator Kitchens & Food Business Incubators</p> |  <p>Community Kitchens</p> |
|  <p>Food Hubs</p> |  <p>Food Innovation Centers</p> |  <p>Food Innovation District</p> |
|  <p>Food Corridors</p> |  <p>Accelerators</p> |  <p>Public Markets, Restaurant Incubators, & Food Halls</p> |

Image credit: Shared Kitchen Toolkit

Diversity of Models

Vary based on:

- Primary goals and desired outcomes
- Existing resources, needs, and opportunities in the community
- Target type of business
- Target stage of business
- Founder strengths and assets
- Market changes and trends in the food industry

Shared-Use Kitchen

Licensed commercial space and equipment rented to multiple individuals or business entities to commercially prepare or handle food that will be offered for sale or distribution.

Wide range of sizes and features including:

- Multiple workstations
- Professional-grade equipment
- Freezer, cold, and dry storage areas
- Proper sanitation equipment
- Specialized equipment
- Loading dock for receiving and distributing product

[Additional Information: Network for Incubator & Commissary Kitchens (NICK)]

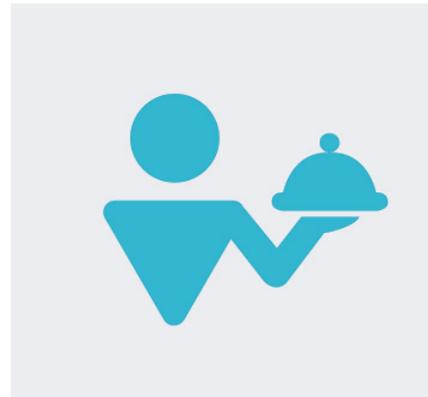
Types of Business Renters



Food Trucks



Bakers



Caterers

**The most
common
categories
of renters**

Source: American Communities Trust, *US Kitchen Incubators: An Industry Update, 2016*

Image credit: Shared Kitchen Toolkit

Small Kitchen: Chiknegg

900 sf kitchen in Goochland, VA (Pop: 22,000)

Cold, freezer and dry storage

Serves entrepreneurs and value-added producers

Servsafe food safety training and other consulting services

Classes for consumers and pop-up events

Privately run by Lisa Dearden, former farmers market manager and small farm owner

For-profit company

Instagram: @chiknegg



SKT 144

Photo credit: Rutgers Chiknegg

Large Urban Facility: Crafted Kitchen

Housed in a 95-year-old warehouse in the Arts District in Los Angeles

8 semi-private shared kitchens, \$28 per hour

2 private, dedicated kitchens

1 studio kitchen used for classes, events and filming

Cold, freezer, and dry storage

Full service kitchen – towel service, receiving, wifi, etc.

For-profit company

Los Angeles pulls big names, events, facility buyouts



SKT 23

Photo credit: Crafted Kitchen

Instagram: @craftedkitchen

Community Kitchen

Community-based kitchen facilities found in community centers, schools, churches, food banks, Meals on Wheels, etc.

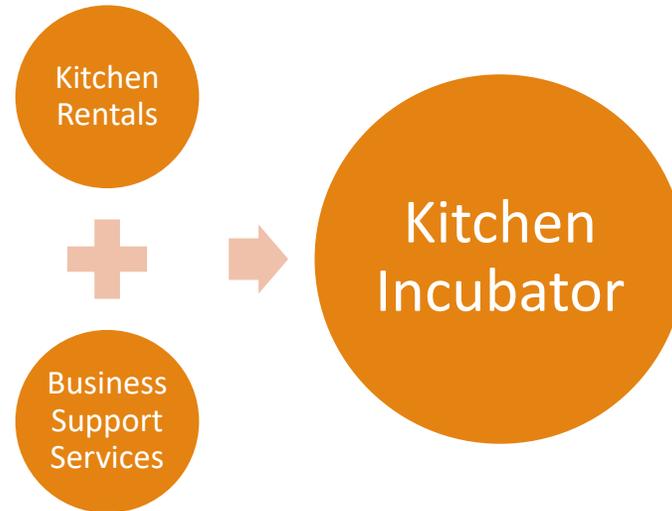
May rent to businesses but not for the exclusive use of businesses

Serve community at large:

- Meal services for children or food insecure populations
- Facilitating social enterprise programs
- Event rentals
- Community dinners
- Cooking and nutrition classes

May not meet all the standards for commercial food production

Kitchen Incubator



Entrepreneurial support organizations with kitchen facilities that support growth of startup and emerging businesses for the benefit of the local economy, food system, and/or underserved entrepreneurs.

AKA “culinary incubator” or “food business incubator”

Incubator Services

Various formats:

- Classes
- Coaching
- Referrals
- Networking Events
- Mentoring Opportunities
- Investment Opportunities

Examples:

- Startup business classes
- Food safety trainings
- Sales support (distribution, retail, events, etc.)
- Packaging and branding services
- Access to capital
- Legal and financial advising
- Pitch nights, investor introduction

[Additional Information: International Business Innovation Association (InBIA)]

Hot Bread Kitchen Incubates

3000 sf shared commercial kitchen in East Harlem

6 month program

Services:

- One-on-one coaching and business planning
- Support accessing capital
- Educational workshops and resources
- Entrepreneur exchanges and networking
- Market access referrals, events and support
- Preincubation "Entrepreneur Assistance Program"

Nonprofit organization



Photo credit: Christine Han

Accelerator

Short-term program (4-6 months)

Cohort structure

Focused on businesses with high growth potential

Competitive application

May be at a specific location or delivered remotely

Often does not include kitchen access

Benefits:

- Intensive mentoring and support
- Investment or pitch opportunity
- Sales/market channel contacts
- Networking opportunities



Food Hub

“A business or organization that actively manages the aggregation, distribution, and marketing of source-identified food products primarily from local and regional producers to strengthen their ability to satisfy wholesale, retail, and institutional demand.” -NGFN

May include a shared kitchen facility

Aggregation, distribution and sales have special planning considerations

[Additional Information: National Good Food Network Food Hub Center]



Washtanaw Valley Food Hub

10,000 square foot facility in Ann Arbor, MI

16 acre property with co-located farms and food businesses

Kitchens:

- Bakery Kitchen with ovens, mixer, stove
- Commissary Kitchen with skillet, kettle, stove, wash pack area
- Dish room

Warehouse with loading docks

Dry, refrigerated and freezer storage

Event space

Geothermal heat pump and solar generation

LLC Company with a mission to support local food and economic development



Photo credit: Washtanaw Food Hub

Food Innovation Centers

Often associated with university agriculture or nutrition departments

Serve startup, growth stage, and established (corporate) businesses

Larger in size with higher capacity equipment

May not offer facility rentals to the public

Commonly provide technical lab and research services such as:

- Shelf life testing
- Nutritional analysis
- Process authority services
- Sensory and quality testing
- Culinology
- Food safety training
- Market research

Rutgers Food Innovation Center

3 FIC facilities: North, South and Chemistry

Incubator (South): 23,000 sf facility opened in 2008 in Bridgeton, NJ

- Larger scale equipment
- Specialized areas: Beverages/hot processing, bakery and dry process area, cold assembly, blast chilling
- Dry, refrigerated and freezer storage

Rented by the day

Business and Technical Services

- Business, Financial, Marketing Planning
- Quality Assurance/ Food Safety
- New Product Ideation and Prototype Development
- Product, Package, and Process Development and Commercialization
- Sensory Evaluation and Consumer Testing



Photo credit: Rutgers Food Innovation Center

Public Markets, Food Halls & Restaurant Incubators

Retail and food service-focused facilities

Provide affordable, low-risk space to test and grow new food service concepts

May be co-located within shared kitchens and offer entrepreneur support services

- Restaurant spaces offered on a short-term or pop-up basis
- Food halls with multiple food retailers, vendors, or restaurants
- Public markets and mercados with fixed and/or temporary vendor spaces
- Food cart and food truck lots providing affordable parking spaces and infrastructure
- Ghost kitchens, cloud kitchens, or delivery-only restaurants

Flint FoodWorks

Located in the Flint Farmer's Market (Est. 2014)

- 50 year round vendors but 20 outdoor seasonal vendors

Mission: Provide culinary entrepreneurs with all the tools necessary to develop and successful market specialty foods, thereby creating jobs and positively impacting economic development of Flint and surrounding area.

- Encourage the use of local food products and services to continue the growth of the local food movement
- Integrate local growers and producers into the supply chain of local food manufacturers
- Develop profitable food based businesses that will create sustainable employment opportunities

Incubator offering Entrepreneur Bootcamp – 5 week intro to starting a food business

2 Kitchens facilities ([video tour](#))



Role of Kitchens in Communities

Kitchen Ecosystem



Image credit: Fruition Planning & Management

Kitchen-Related Opportunities

- Copacking
- Food Hubs
- Onsite Retail
- Culinary Programs and Cooking Classes
- Health and Nutrition Classes
- Food Safety Classes
- Farmers Markets
- Chef or Product Tastings
- Pop-Up Events and Markets
- Workforce Training Programs
- Food Access and Security Programs
- Disaster Relief
- Food Policy Councils
- Community Supported Agriculture Programs
- Community Dinners
- Special Event Rentals
- Photo Shoots
- Film and YouTube Cooking Shows

Aligning Facility Types and Goals

Economic Development – jobs, opportunity, clusters, revitalization, tax base

- Incubators
- Shared Kitchens
- Workforce Training Centers
- Food Innovation Centers
- Markets and Restaurant Incubators

Food Systems and Access – local food, food security, health, farm viability and preservation

- Food hubs
- Community Kitchens
- Shared Kitchens
- Markets

Opportunities Exercise

Break up into groups of 3-5 (or do individually?)

Using [notes on paper, cards or posters and stickies] identify potential impact and revenue opportunities for a kitchen in your community.

- *Programs*
- *Activities*
- *Services*

Identify current assets and opportunities to leverage and link assets

Discuss with your neighbor (groups of 2-3)

Summarize key ideas

Report to whole group

Spectrum of Kitchen/Incubation Solutions

New kitchens are not always needed or warranted

Existing businesses or community centers may be willing to rent facilities

- Support and coaching makes a difference

Asset mapping can uncover opportunities and prevent redundancies

Coordination between resources increases impact

Benefits of Leveraging Community Kitchens

Good option for communities that:

- Lack demand for dedicated facility
- Demand exceeds existing capacity
- Need to build up the entrepreneurial ecosystem or leadership capacity first
- Still warming up to coworking concepts

Lower capital investment required

Reinvesting in underutilized existing assets

Decentralized facilities increase access for neighborhoods

Validate need to build support for additional investments/facilities

Benefits to owners:

- (Modest) revenues help support facilities
- Mission, outreach and impact opportunity

Limitations

Availability may be limited by other uses

After-hours access may be restricted

May not accommodate concurrent users

Lack of specialized equipment

Equipment may be smaller capacity or in poor condition

= Number and types of clients served will be less than a dedicated, custom facility

Business support:

- Owners may lack business support and food expertise
- Kitchen may not be well integrated into the food/entrepreneurial ecosystem

Considerations

Must haves:

- Adequate commercial equipment
- Onsite cold and dry storage
- Must meet licensing rules for target business type

Upgrades and repairs can be costly

- Who pays?
- Owners may lack funds
- ROI may take a long time

Management strategy and resources

Liability considerations

Tips for Community Kitchen Approach

Focus on owners with community-serving mission

Consider having a "Kitchen Connect" type coordinating organization

- Preps, vets, refers and supports entrepreneurs
- Advises kitchens on upgrades, positioning, rental policies, etc.
- Provides licensing support to both parties

Look for grant opportunities to contribute or match investments in upgrades

Integrate kitchens with entrepreneurial service providers and food systems groups

Develop agreements and policies to ensure clarity and good relationships

Dedicate resources to proper management

Get adequate insurance for kitchen and businesses

Shared Kitchen Industry Survey

DEFINITIONS AND MODELS

PURDUE EXTENSION

SARE Research and Education



Purdue Team

Jodee Ellett, Local Foods Coordinator

Tanya Hall, Regional Community Development Educator

Tomoko Hiramatsu, MS Student in Agricultural Economics

Dr. Maria Marshall, Professor Agricultural Economics

Dr. Rhonda Phillips, Professor Agricultural Economics

Partners

Dawn Meader McCausland, Fruition Planning and Management

Ashley Colpaart and Gnomes at The Food Corridor

PURDUE EXTENSION

SARE Research and Education Grant



Research

- ✓ National descriptive survey of kitchens
- ✓ Economic survey of kitchen sub-set
- ✓ IMPLAN economic modeling of contributions
- Case Studies

Outreach and Technical Assistance

- ✓ Four day-long shared-kitchen tours, visiting 10 kitchens in IN, OH, MI and KY
- ✓ Shared Kitchen Toolkit
- ✓ Community Kitchen Development
- Online educational resources (in development)
- Report on National Surveys
- Journal and Extension pubs

PURDUE EXTENSION

Survey

National, but North Central focused

Conducted online using Qualtrics in March 2017

Sent to 326 potential respondents, 92 respondents (28% response rate)

Only kitchen managers or owners could respond

Three Phases

1. Landscape information (this presentation)
2. Economic and business details for IMPLAN modelling
3. Case studies

National Report – in development – create a baseline of information for future research and development work for shared kitchens

Profile of Owners/Managers

Manager's years of experience in food industry (n=56)

20% Less than 5

42% Between 5-20

38% More than 20

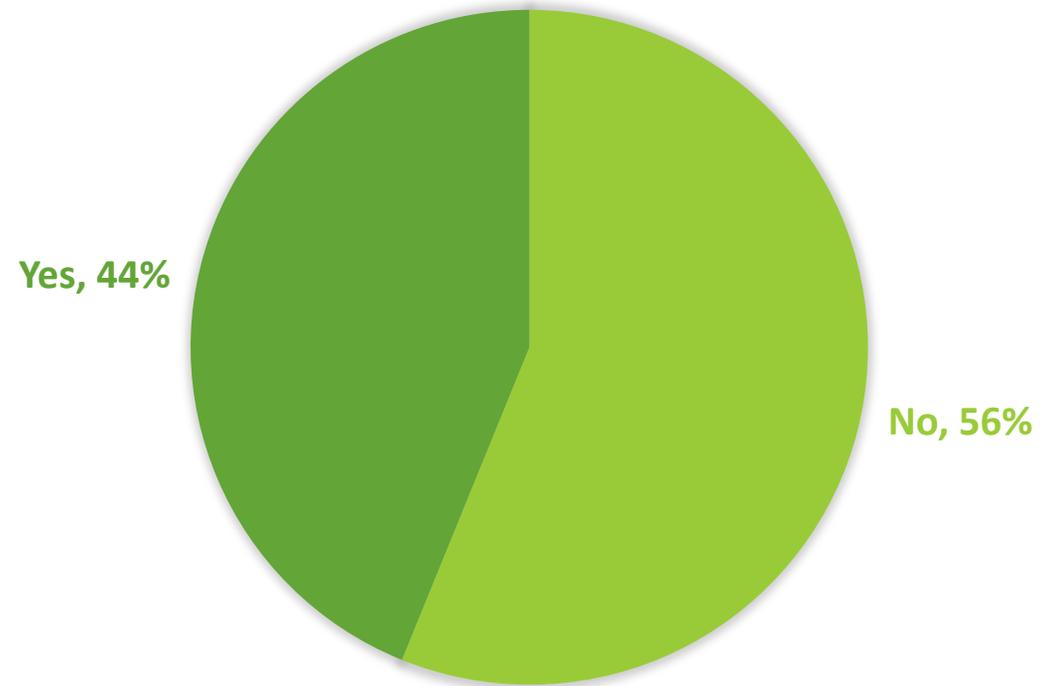
57% have a Bachelor's degree or higher

90% white

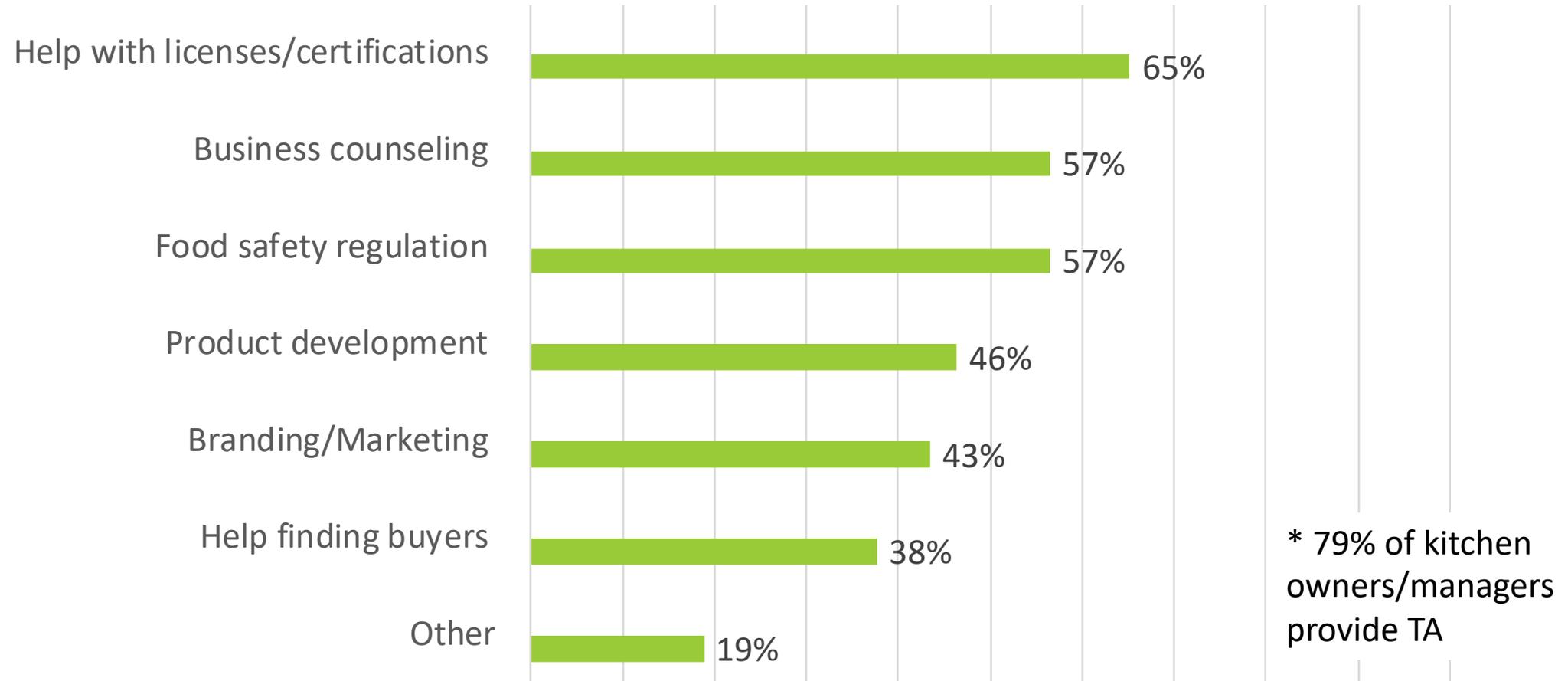
50% male



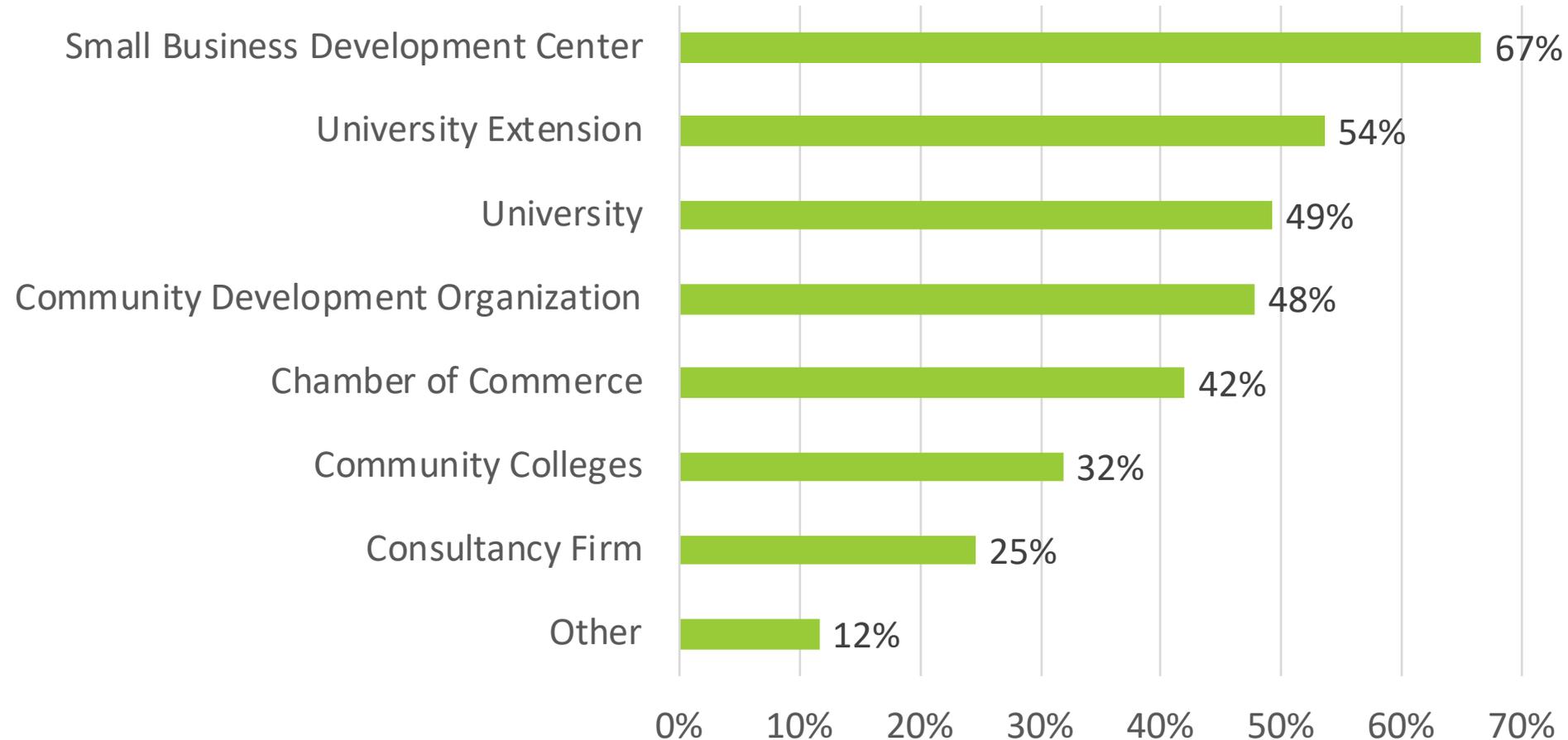
Is the kitchen your main source of income? (n=57)



Technical assistance provided by kitchen manager/owner* (n=69)

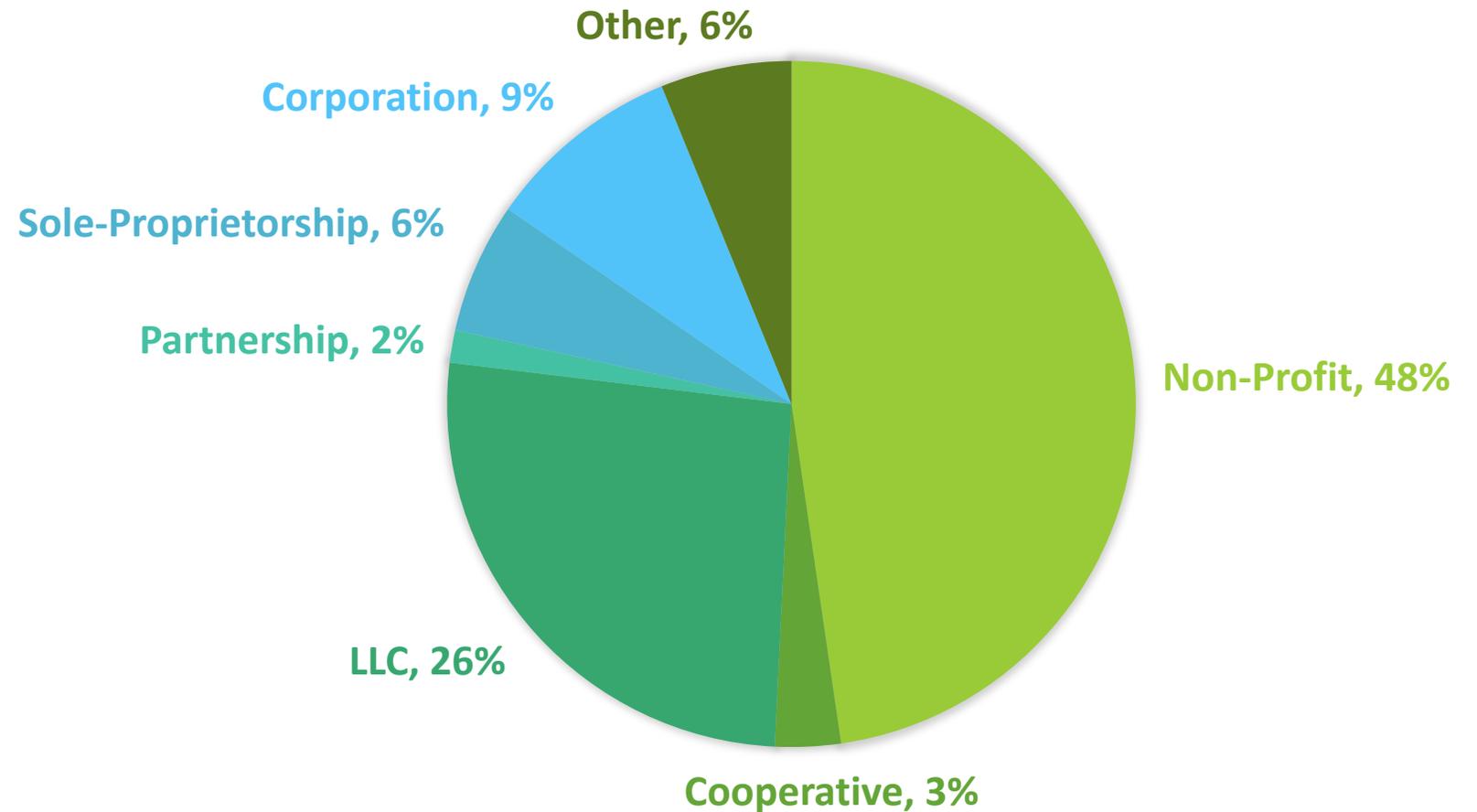


Technical assistance used by kitchen owner/manager (n=69)



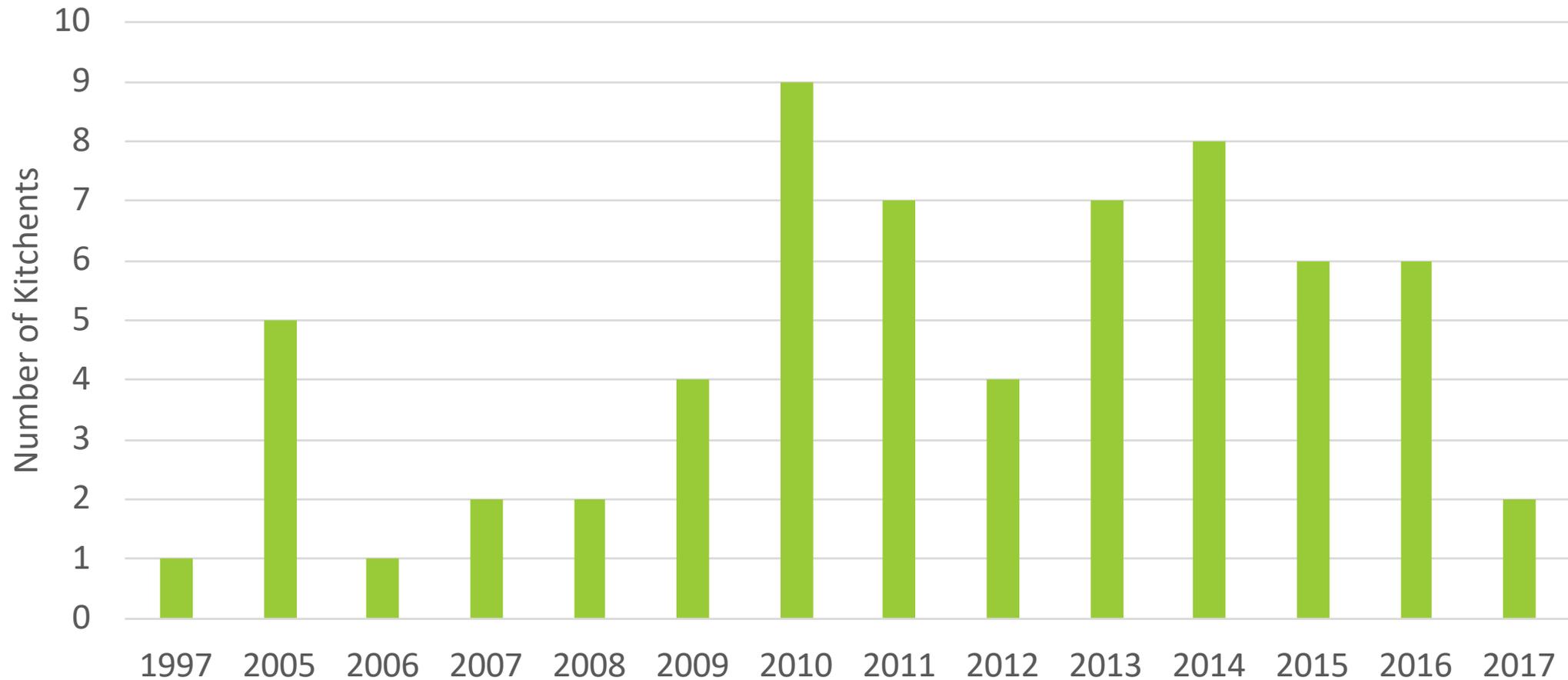
Profile of Kitchens

LEGAL STATUS OF BUSINESS (N=65)

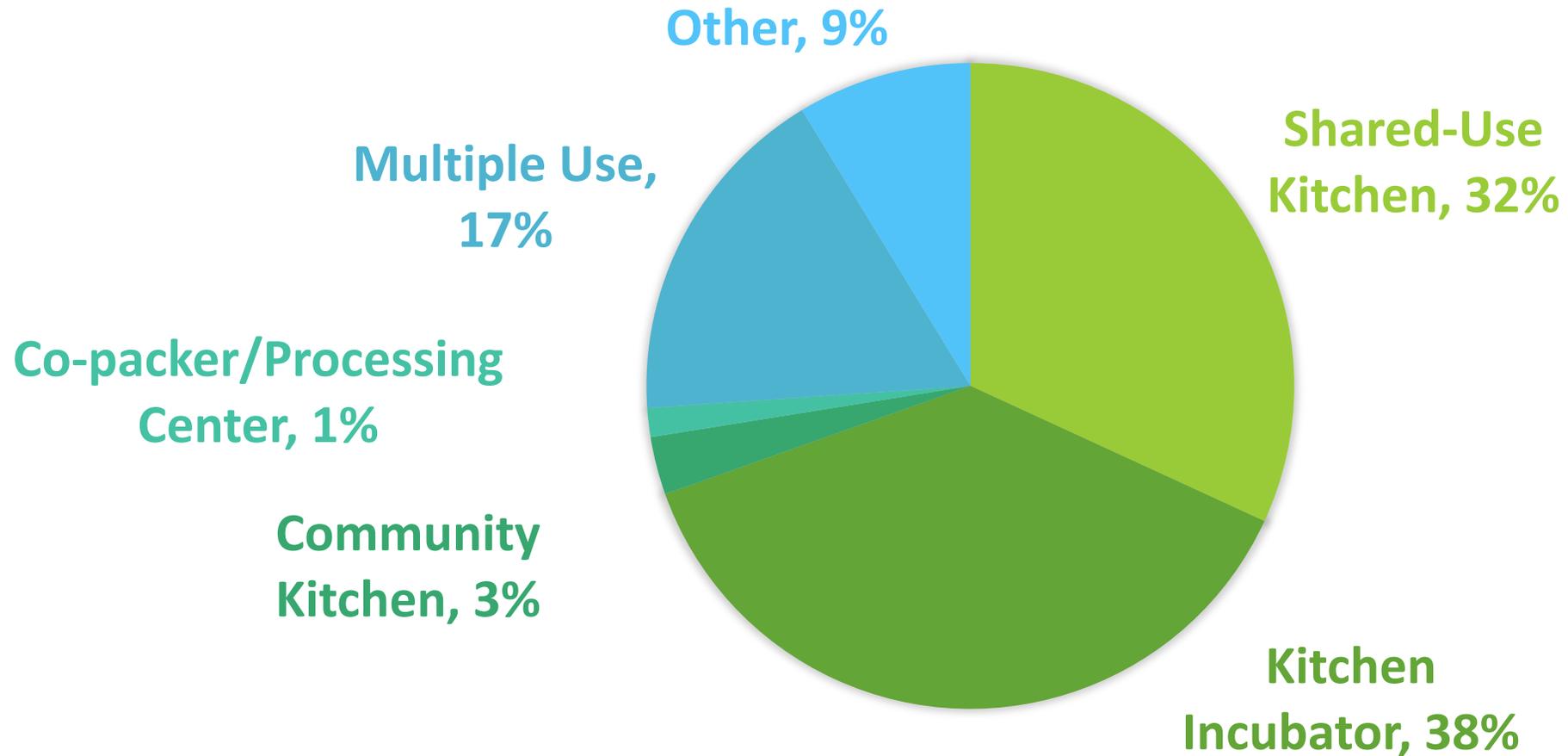


Year Established (n=64)

85% of kitchens surveyed started in the last 10 years



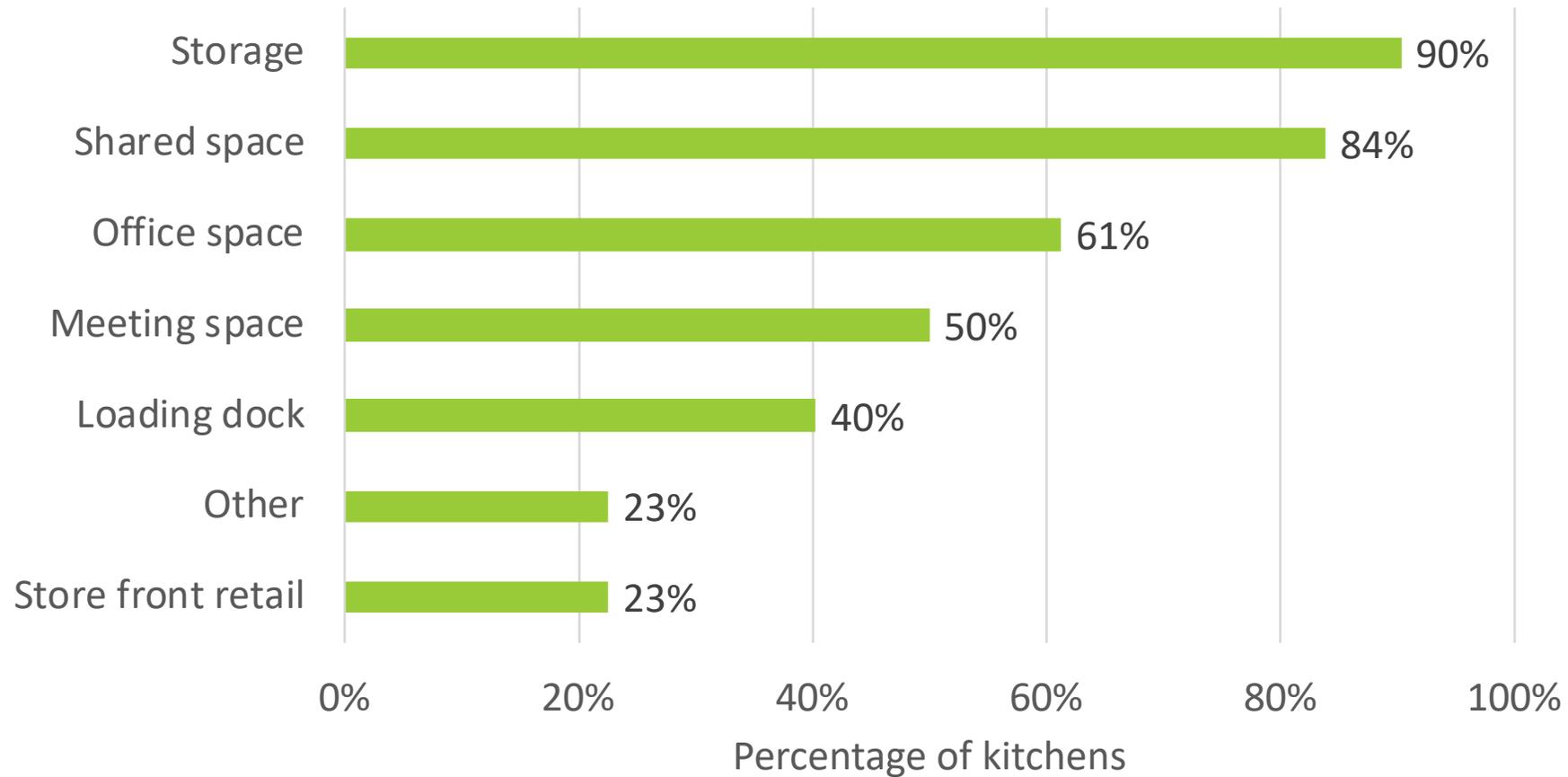
Definition of Kitchen (n=69)



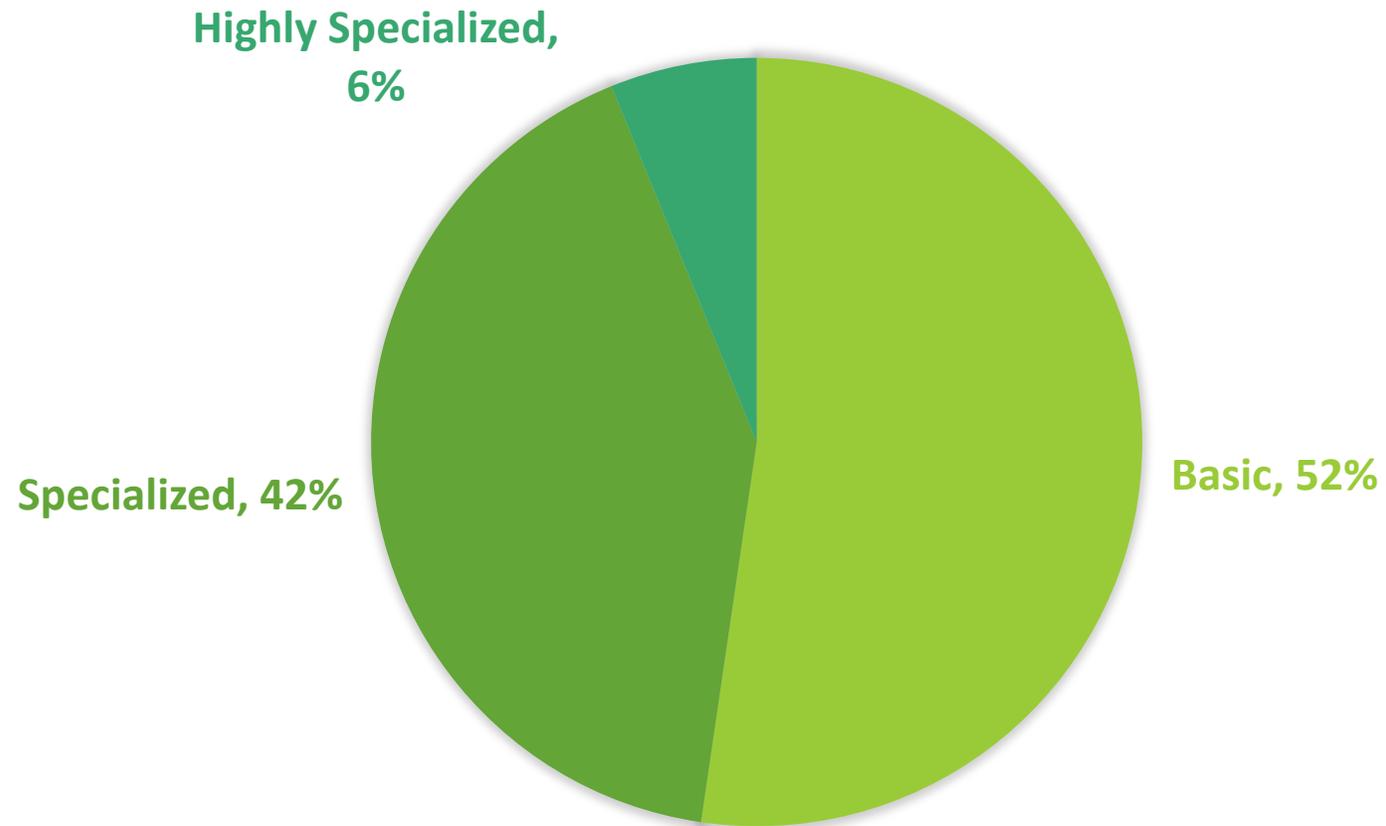
Square footage of facility (n=62)



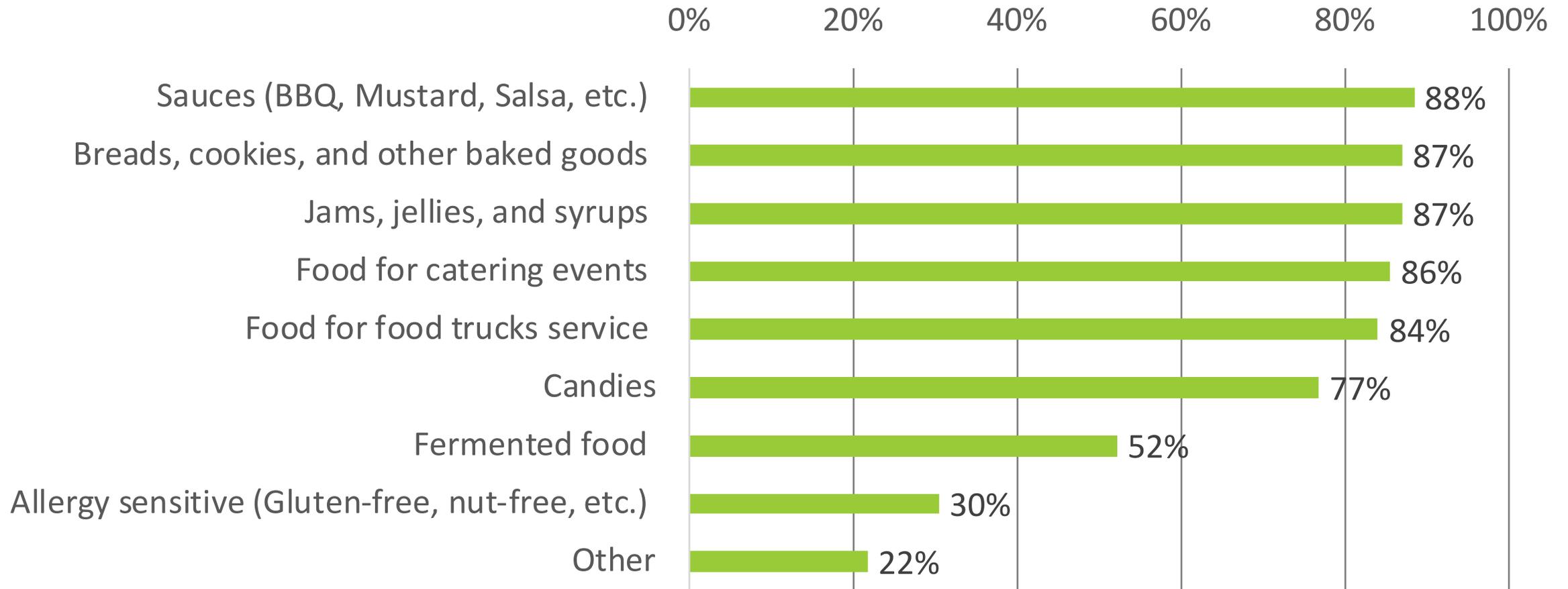
Included in square footage (n=62)



Kitchen equipment available (n=65)



Types of products that could be produced in kitchen (n=69)

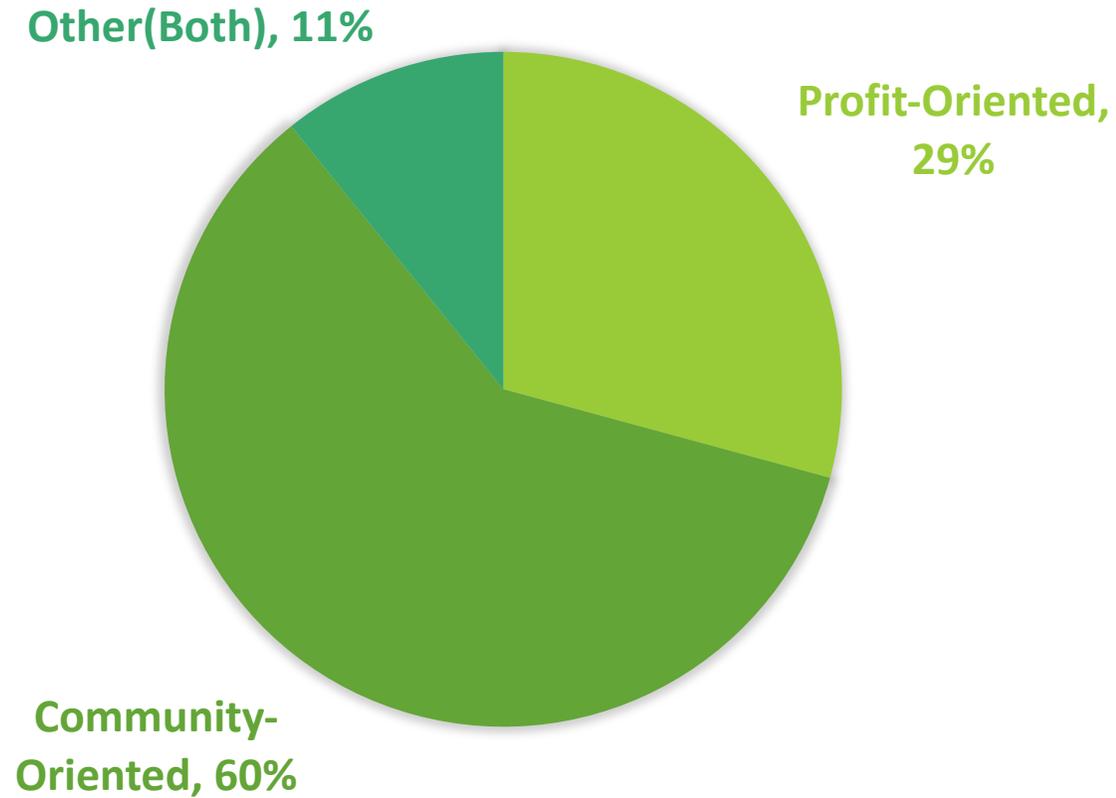


Community and Business



Image credit: Fruition Planning & Management

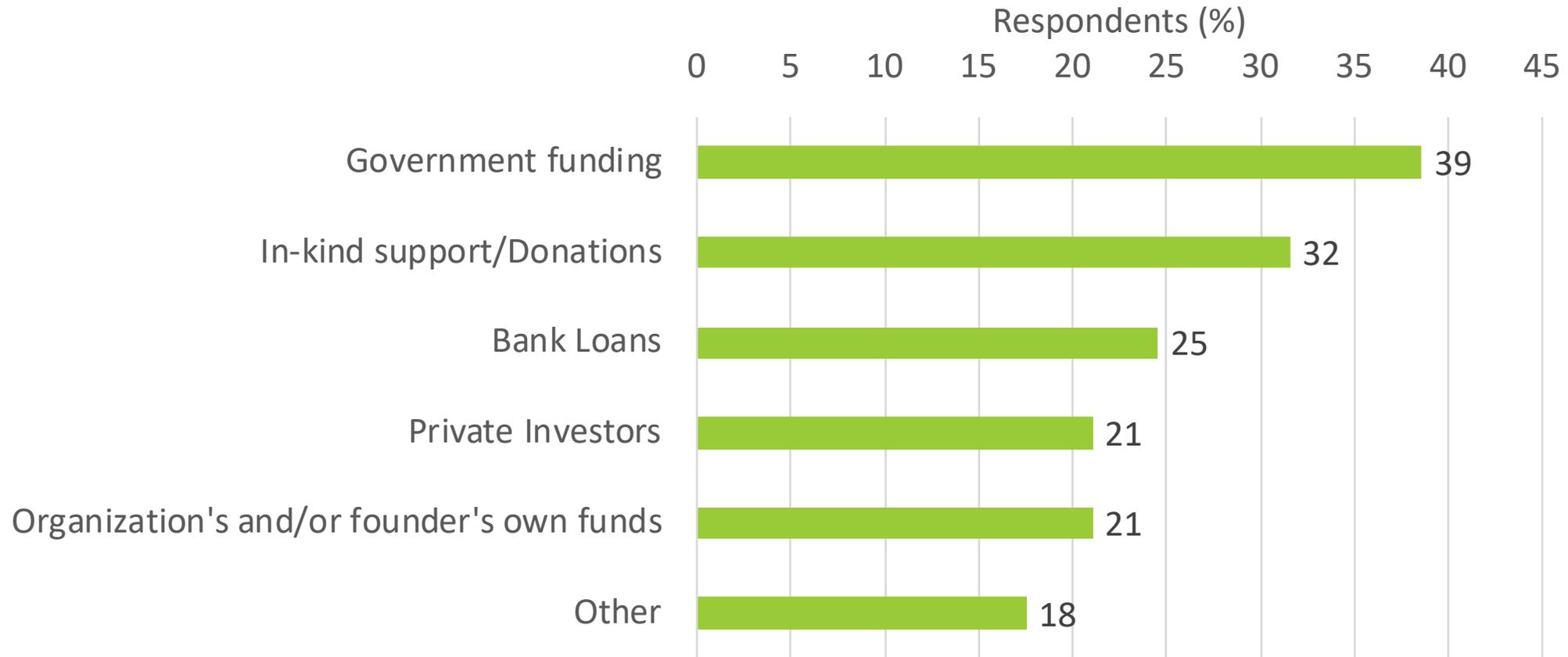
Primary purpose of the kitchen (n=65)



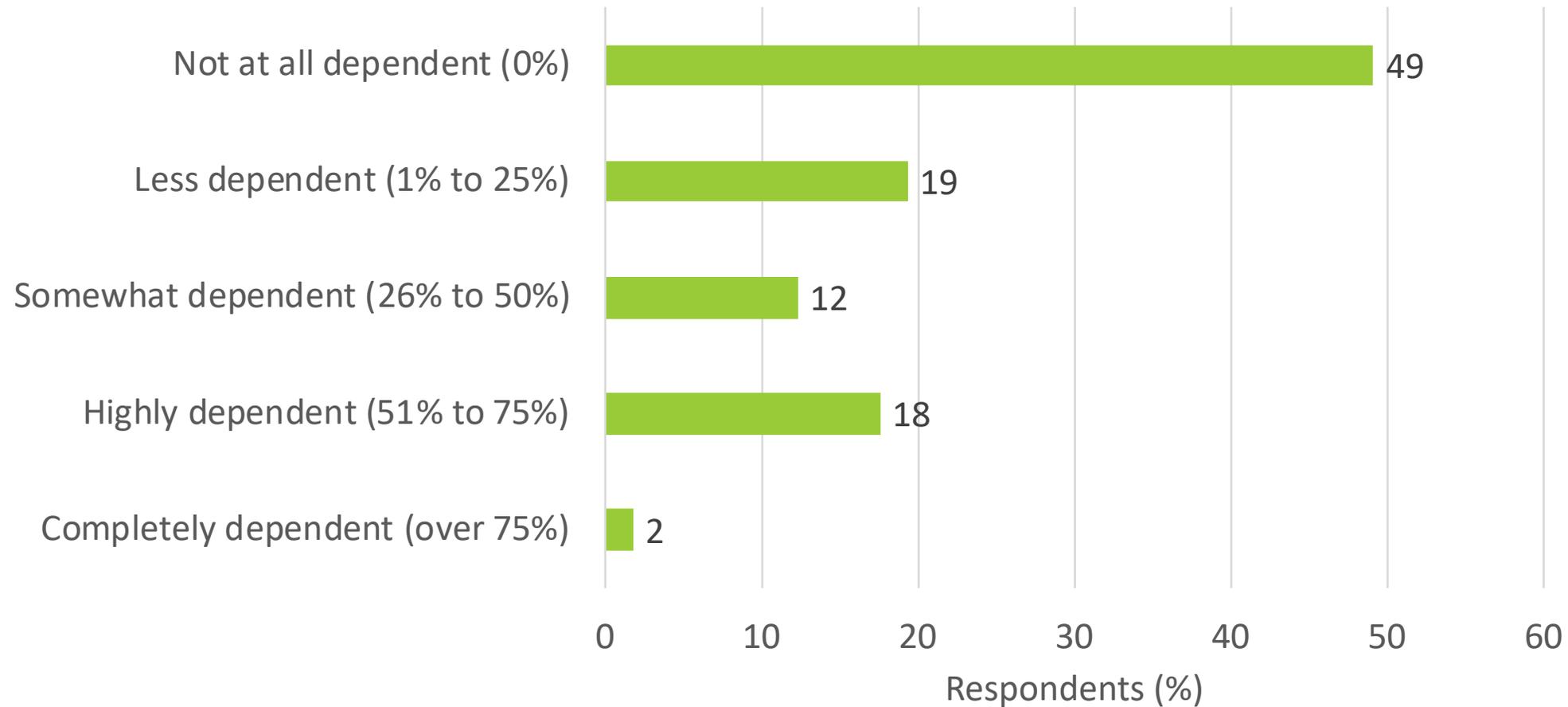
Describe function or role of your kitchen (n=69)



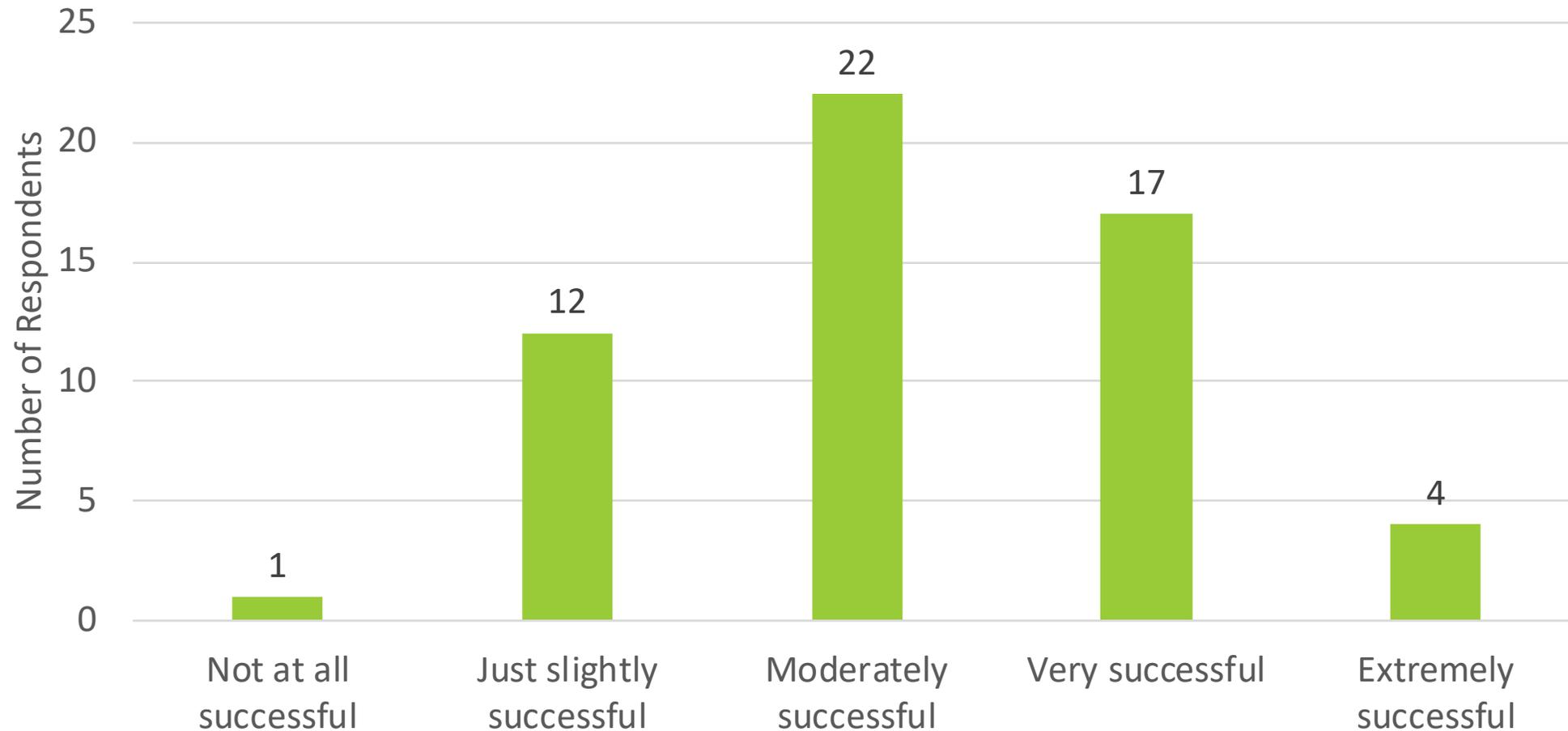
How were funds secured to begin kitchen? (n=57)



How dependent is your kitchen facility on grant funding for normal operations? (n=57)



Overall, how successful is your kitchen today? (n=56)



Planning for Success

KITCHEN DEVELOPMENT



Kitchen Development Process

Planning Budget and Timeline

Goals and Vision*

Market Research

Services Planning

Business Model and Plan Development

Financial Planning

Funding Strategies and Prospects

Facility Design and Development

Brand and Marketing Strategies

Launch

Management and Operations

Performance and Impact Assessments

Planning Timeline and Budget

Set realistic expectations (projects generally take 2-5 years to develop)

Depends on the founding team, groundwork and funding

Insufficient planning increases risk of failure

Balance facility planning with operations and financial planning

Engage stakeholders and target clients early and often

Clarifying the Purpose

Goals inform kitchen model, funding and partnerships

- What does success look like?
- What impact do we want to have?

"Strategy screen" can help teams focus and build consensus

Goals should be evaluated during feasibility

- Are they attainable?
- Do we need to phase our vision?

Develop outcomes and track data from outset

Market Research/ Feasibility

Vital for all projects

Formal feasibility studies are most important for:

- Projects seeking grants
- Public sponsorship or partnerships
- Large capital investments
- Lack of capacity to conduct market research
- Objective assessment needed

Other market research critical if not doing a feasibility study

- Understanding needs and goals of target user
- Demand for space
- Need for support services

User Research

| Activity | Benefits | Drawbacks |
|---|--|--|
| Surveys | Cheap, easy, detailed, quantitative | Limited to questions asked. Lacks insight into perceptions, motivations |
| Interviews | Open-ended, flexible, candid, targeted, in-depth, qualitative insight | Time consuming, difficult to measure |
| Focus Groups | Open-ended, spontaneous participant conversations, qualitative insight | Facilitation skills required to be successful, difficult to measure |
| Interviewing Organizations with Client Experience | Gain perspective on hurdles, what's been tried, feedback about project. Builds relationships and potential collaborations. | Experience can limit openness to new approaches, bias or fear of competition may color responses |

Local Market Conditions

Client Interest

Competition

- Kitchens
- Other methods of production

Real Estate Conditions

- Tight, expensive market = fewer alternatives, greater need
- Inexpensive, abundant space = less demand

Entrepreneurial Activity

- Business growth data
- Entrepreneurial climate and ecosystem

Headwinds – forces that diminish demand

- Lack of sales opportunities, high costs, regulatory hurdles, etc.

Service Planning

Services in the entrepreneurial ecosystem are vital to business success

May be offered in-house or coordinated with partners

Wide range of service opportunities and delivery formats

- Business Planning and Launch Assistance
- Production Services
- Marketing and Design Services
- Sales/Market Opportunity Development
- Product Development and Food Safety Services
- Financial Services

Evaluate existing services first

Leverage partnerships

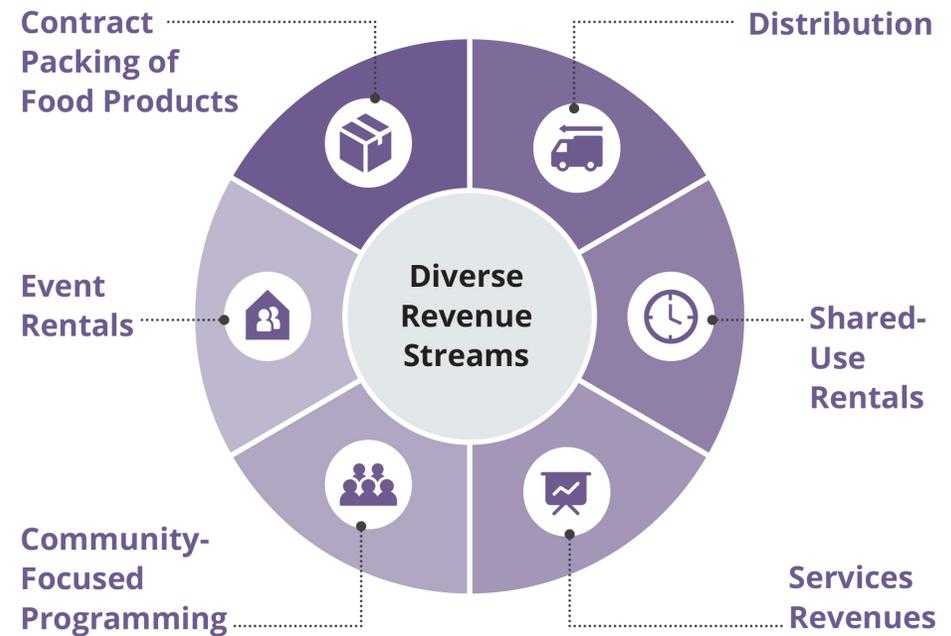
Business Model Development

Tools:

Business Model Canvas

Value Proposition Canvas

Financial Sustainability Matrix



Diverse revenue streams contribute to a sustainable business model

Image credit: Shared Kitchen Toolkit

Financial Planning

Use caution when forecasting. 100% utilization is unrealistic

Common errors:

- Overestimating demand (number of clients).
- Overestimating the number of hours each client will use.
- Overestimating the amount of off-peak hours that will be used.
- Failing to account for the time the kitchen will be offline or used for other activities (cleaning, classes, special events, etc.).
- Failing to research licensing regulations that could impact the number or types of businesses that can be accommodated.

Financial Modeling: Test different utilization/revenues scenarios

Comprehensive operating cost estimates are important

Funding

Business structure affects eligibility for different funding sources and revenue generating activities – should be considered together.

Funding options depend on mission and outcomes

Look for partnerships to access new funding sources (tax credits, health funds, etc.)

Community – crowdfunding, mission driven investors, CDFIs, sponsors

Crowdfunding best done when launch is in sight, not in early stages

Facility Design Considerations

Primary business types and the products they are producing

Scale of production the kitchen aims to accommodate

Special Uses - events, classes, demos, retailing/food service

Regulatory Requirements - the space, its uses, and the products produced

Capital budget for construction, renovations/tenant improvements, and equipment

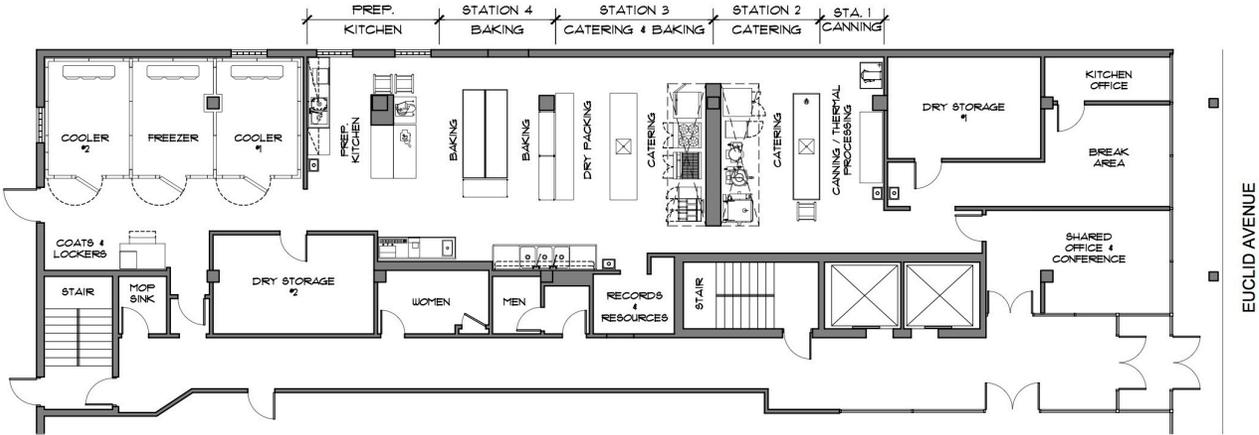
Building and/or site constraints - size, layout, condition, and infrastructure

Layout

CLEVELAND CULINARY LAUNCH & KITCHEN

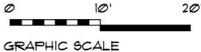
2800 EUCLID AVENUE
CLEVELAND, OHIO

J&M REAL ESTATE ADVISORS, INC.



FIRST FLOOR PLAN

1" = 10'-0"



SKT 112

Image credit: Cleveland Culinary Launch & Kitchen

Extension: Guilford Shared Use Kitchen

Existing kitchen asset with donated equipment

Opened in 2016 to support farmers in diversifying their income streams

Special low rates for farmers using their own produce and selling on-farm or direct at markets (not wholesale)

Clients must use locally produced foods

Focused on packaged, shelf-stable foods

Part of Greensboro Connects, an incubator collaborative with Greensboro Farmers Curb Market and other shared kitchens

Offers Safe Plate food safety training

Development Support Exercise

Break up into groups of 3-5

Using [notes on paper, cards or posters and stickies] identify the roles that

Extension can play in supporting the planning and development process for local kitchen(s) and resources available.

- What programs and services does your Extension offer that can help a new kitchen project?*
- What other partners can you bring in to support a project?*

Management Essentials

Acceptance Criteria

Acceptance criteria helps kitchen target resources and ensure a good match

- Business criteria - stage/readiness, products, insurance, etc.
- Mission-related criteria - use of local ingredients, demographic/income, geography, etc.
- Incubation criteria - readiness, drive, product quality, commitment

Opportunity to redirect prospects to other support resources if not ready

Marketing

Important regardless of profit motive

Start prior to kitchen opening

Referral relationships are key

Kitchens that struggle to attract tenants should evaluate:

- Value proposition
- Target user and acceptance criteria
- Customer satisfaction and reputation
- Ecosystem engagement and referral networks
- Need for support services (planning, pre-incubation, etc.)
- Need for investment in management
- Marketing activities (listing services, videos, events, social media, etc.)

Onboarding

Onboarding improves client success and avoids problems

Often underestimate the time involved (weeks to months or year)

Takes considerable staff resources, depending on business stage and support offered

Activities generally include:

- Tours or open houses
- Applications and verification of documents
- Interviews
- Product tastings
- Orientation to equipment
- Review of kitchen policies
- Licensing process

Management and Operations

Successful kitchens require staff time:

- Marketing, recruitment and onboarding
- Schedule management
- Financial management and fundraising (if needed)
- Facility management
- Kitchen culture and accountability
- Business services (licensing, incubation, market opportunities, etc.)
- Programming (classes, events, etc.)
- Network development (referrals, partnerships, sales relationships)

Tools and systems can streamline and improve operations

Staff need an array of skills and expertise

Management Policies

Clear policies and enforcement avoid problems and retain successful clients

Kitchens should have policy and procedure manual covering:

- About Your Kitchen
- Acceptance Criteria
- Fees, Rates and Billing
- Division of Responsibilities
- Scheduling and Booking
- Cancellation Policy
- Equipment Reservations
- Cleaning and Sanitation
- Access and Closing Procedures
- Special Event Rentals
- Termination

User/ Services Agreements

Management Culture & Challenges

Sharing works when responsibilities are clear, respect is cultivated, and accountability is enforced

Active management vital for food safety, theft and damage prevention, and sharing culture

Cultivating successful culture takes time, attention and community buy-in

- Think through penalties and solutions in advance
- Prevention: tracking, locks, cameras, and staff presence
- Set expectations with policies and onboarding process
- Enforce rules promptly and consistently and terminate if necessary

Develop feedback and communication channels

Make community building and peer networking a priority

Management Support Exercise

Break up into groups of 3-5 (or do individually?)

Using [notes on paper, cards or posters and stickies] identify the resources in your Extension program that can support existing kitchen assets in your community.

- Underutilized community kitchens*
- Underperforming shared kitchens or incubators*
- Improving linkages between existing assets and resources*

Economic Impact

SARE SURVEY AND ECONOMIC ANALYSIS OF ECONOMIC
CONTRIBUTION OF SHARED-USE KITCHENS

PURDUE EXTENSION

National Survey of Shared Kitchens

Economic Analysis (36 responses):

56% of operations started after 2010
39% started in 2000's

| Employed Staff | Average |
|-----------------|----------|
| Full-time | 2.2 |
| Part-time | 3.1 |
| Seasonal | 1.3 |
| Unpaid/Intern | 0.8 |
| Co-op Vol. | 0.8 |
| Regular Vol. | 3.3 |
| Occasional Vol. | 3.9 |
| Consultants | 1.2 |
| Average Wage | \$27,184 |

| Q3. Location | Share |
|---------------|-------|
| North Central | 50% |
| Southern | 25% |
| Northeast | 11% |
| Western | 14% |

National Survey of Shared Kitchens

Economic Analysis (36 responses):

56% of operations started after 2010, 39% started in 2000's

67% profit was less than \$50,000

| Annual Revenue | Start | | 2016 | |
|--------------------|-------|-------|-------|-------|
| | Freq. | Share | Freq. | Share |
| Negative or None | 6 | 32% | 0 | 0% |
| Less than \$50k | 11 | 58% | 11 | 58% |
| \$50k-\$99,999 | 1 | 5% | 2 | 11% |
| \$100k - 149,999 | 0 | 0% | 1 | 5% |
| \$150k - \$199,999 | 0 | 0% | 0 | 0% |
| \$200k - \$249,999 | 0 | 0% | 3 | 16% |
| \$250k - \$299,999 | 1 | 5% | 0 | 0% |
| More than \$300k | 0 | 0% | 2 | 11% |

| Annual Profit | Freq. | Share |
|--------------------|-------|-------|
| Had a loss | 3 | 9% |
| Less than \$50k | 22 | 67% |
| \$50k-\$99,999 | 2 | 6% |
| \$100k - 149,999 | 1 | 3% |
| \$150k - \$199,999 | 0 | 0% |
| \$200k - \$249,999 | 2 | 6% |
| \$250k - \$299,999 | 0 | 0% |
| More than \$300k | 0 | 0% |
| Unknown | 3 | 9% |

National Survey of Shared Use Kitchens

| | Average | |
|------------------------|------------|-----------|
| | Start-up | 2016 |
| Startup Expenses | | |
| Kitchen Appliances | \$ 43,218 | \$ 3,611 |
| Kitchen Supplies | \$ 4,142 | \$ 1,354 |
| Paper/Plastic Products | \$ 2,300 | \$ 1,204 |
| Facility Use | \$ 29,270 | \$ 24,570 |
| Maintenance | \$ 4,198 | \$ 4,971 |
| Construction | \$ 383,714 | \$ 2,095 |
| General Retail | \$ 507 | \$ 18 |
| Utilities | \$ 17,564 | \$ 9,347 |
| Capital Expenses | \$ 33,964 | \$ 2,190 |
| Services | \$ 8,844 | \$ 4,363 |
| Transportation | \$ 3,594 | \$ 898 |
| Miscellaneous | \$ 6,671 | \$ 6,185 |
| Total | \$ 555,209 | \$ 51,759 |

Economic Analysis (36 responses):

Significant start-up cost

- Kitchen appliances
- Construction
- Capital expenses
- Many operated at a loss or low revenue in start-up year

Data suggests changing of business model based on 2016 reported expenses

- Respondents did indicate increase in other revenue streams
- Expressed growth with increased number of clients

National Survey of Shared Use Kitchens

Economic Analysis (36 responses):

Data suggests changing of business model based on 2016 reported expenses

- Respondents did indicate increase in other revenue streams
- 44% of kitchens expressed growth with increased number of clients
 - Increased fees
 - Increased success of clients
 - Increased hours
 - Diverse revenue streams

| Other Revenue Streams | Share of Revenue | Increase/Decrease from Start |
|---|------------------|------------------------------|
| Catering business we operate | 97% | decreased |
| VK Food Production | 60% | decreased |
| Events | 40% | decreased |
| program service fees | 35% | increase |
| Grants | 33% | decreased |
| grants | 32% | increase |
| Co-packing for other labels | 20% | Same |
| Kitchen rental, consulting, research | 20% | Same |
| donations | 11% | increase |
| beer & wine fundraiser | 11% | increase |
| Direct Public Support (donations) | 10% | decreased |
| Incubator training programs (open to non-users) | 8% | increase |
| Shared kitchen | 3% | Same |
| Memberships (1% of Gross) | 3% | Increase |

Interesting Tidbits

Shared use Kitchen was not always primary function

- Ranged from 3% to 100% of revenue
- Average shared use kitchen garnered 83.8% of its revenue from its kitchen clients
- Other revenue included grants, co-packing, fundraisers/donations, actual business (catering), other food production, rental of food storage and special events

Perceived that 83.5% of clients sales can be attributed to ability to use a shared use kitchen

Most survey responses came from metropolitan areas

Economic Impact Analysis

Economic Analysis (36 responses):

Impact analysis

- IMPLAN used to capture the impact of starting a kitchen
- Alter the program to mimic the purchasing generated by shared use kitchens
- Assumptions:
 - ❖ 2 employees per kitchen
 - ❖ Use average expenses reported from nationwide survey
 - ❖ Expenses outweigh revenue

| Starting a Shared Use Kitchen | |
|-------------------------------|------------|
| Total Employment | 2 |
| Employee Compensation | \$ 46,745 |
| Total Budgetary Expense | \$ 537,986 |
| Revenue | \$ 33,444 |

Economic Contribution Analysis

Economic Analysis (36 responses):

Impact analysis

- IMPLAN used to capture the contribution an existing kitchen has on the local economy
- Alter the program to reflect budget categories – but use OUTPUT instead of expenditures to run analysis
- Assumptions:
 - ❖ 2 employees per kitchen
 - ❖ Use average expenses reported from nationwide survey
 - ❖ Revenue greater than expenses

| Existing Shared Use Kitchen | |
|-----------------------------|------------|
| Total Employment | 2 |
| Employee Compensation | \$ 46,745 |
| Total Budgetary Expense | \$ 57,241 |
| Revenue | \$ 124,512 |

Economic Impact Analysis

Results:

Impact analysis

- IMPLAN software, analysis-by-parts
- IMPLAN used to capture the impact of starting a kitchen
- Did the analysis on a national level

| | Direct Effects | Indirect Effects | Induced Effects | Total | Multiplier |
|-------------------|----------------|------------------|-----------------|--------------|------------|
| Output | \$ 537,986 | \$ 794,249 | \$ 433,192 | \$ 1,765,427 | 3.3 |
| Total Value Added | \$ 394,360 | \$ 374,318 | \$ 238,769 | \$ 218,728 | 2.6 |
| Employment | 2.0 | 3.9 | 2.7 | 8.6 | 4.3 |

Panelists

- Adam Kody Food Ventures Center



- Marianne Hamilton Findlay Kitchen



- Sean Dougherty Common Wealth Kitchen Incubator - Youngstown



Resources

Shared Kitchen Toolkit Resources Chapter (see document or wiki)

The Food Corridor Resource Page: <http://www.thefoodcorridor.com/resources/>

TFC Sample Documents, such as policies and procedures: <https://drive.google.com/drive/folders/0Bwt1RSKcnLc1cEw3Q0JvbmFGYmM>

Network for Incubator and Commissary Kitchens
(NICK): <https://www.facebook.com/groups/NICKitchens/>

International Business Innovation Association (InBIA) Online Class on Food Business Incubators:
<https://inbia.org/training-and-education/specialty-courses/>

Upcoming:

Community Kitchen Guidance and Purdue Kitchen Survey Report

Thank you

Jodee Ellett, jellett@purdue.edu, 765.494.0349, www.purdue.edu/localfood

Tanya Hall, tjhall@purdue.edu, 812-723-7107

Ashley Colpaart, The Food Corridor, hello@thefoodcorridor.com

Dawn Meader McCausland, Fruition Planning & Management, dawn@fruitionplanning.com