

# Five-Year Strategic Plan



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# *INTRODUCTION*

## About Mountain Harvest Kitchen

Mountain Harvest Kitchen (MHK) is a kitchen incubator facility located in Unicoi, TN, that supports food entrepreneurs by offering affordable access to a 4,000-square foot certified inspected commercial kitchen. This facility provides a critical resource for new and emerging food businesses in the region. It helps lower the barrier to entry for new businesses, and helps growing businesses scale their operations without needing to invest in costly new equipment or kitchen space. MHK has secured specialized food processing equipment worth about \$300,000, including a combi oven, tilt skillet, deck oven, walk-in cooler and freezer space, and bottling line. By meeting the infrastructure needs of growing food businesses, MHK is helping them grow, and thus supporting economic development in the region.

MHK also provides individual advising services and offers group classes and workshops for food businesses and the larger community on topics ranging from food preservation techniques and business planning to product development and sales. Onboarding new clients typically starts with side-by-side navigation of the complex licensing and permitting regulations for food businesses. Other services offered include:

- Product development such as recipe development, product scaling, and labeling support
- Food safety training including assistance with food licenses, recall plan development, and shelf life
- Production services such as food and supply sourcing
- Marketing and design such as brand strategy, social media support, and shared marketing through MHK promotions
- Business planning and launch assistance such as resources for ideation and feasibility stages
- Sales/market opportunity development such as resources for sales channels, events and referrals

Lastly, MHK provides a network of support for food entrepreneurs on their journey to a sustainable, thriving food business by connecting early stage business owners with industry veterans and resources to foster their growth.



***“Mountain Harvest Kitchen has absolutely been crucial to advancing my career. I taught my first culinary class at the MHK and it opened the door for an entire year of classes, pop-ups, and personal chef work.”***  
- Asheville-based Chef Drew Sharkey

MHK is quite unique in being *municipally* operated, demonstrating a significant and innovative commitment to economic development through food on the part of the Town of Unicoi. Unicoi’s mission is “to encourage the hardworking, determined spirit of our citizens by responding to community needs with quality services” - the facility and services offered by MHK have a clear connection to the advancement of this mission.

The concept for MHK began in 2005 as an idea for a shared-use community kitchen facility. Over the next several years, a volunteer group formed to research and develop the concept by visiting similar facilities,

### Mountain Harvest Kitchen Impacts

**\$900,000** in outside grant funding

**155** individuals advised

**25** new businesses

**36** new jobs

**Over \$255,000** in private sector investment

conducting market and feasibility analysis, and seeking funding. In 2012, the Town of Unicoi purchased land and a pre-existing building to house Mountain Harvest Kitchen. Between 2012 and 2017, the Town of Unicoi, which owns and operates MHK, secured over \$900,000 in outside funding from the Appalachian Regional Commission, the U.S. Economic Development Administration, and the U.S. Department of Agriculture to support the launch and operation of the kitchen facility and program. During this time, the kitchen program concept evolved to have a more explicit focus on supporting food and agriculture entrepreneurship and economic development. In May 2017, the Town of Unicoi hired Lee Manning as Director, and in September 2017 the facility opened.

Since its opening, Mountain Harvest Kitchen has advised over 155 individuals, supported the creation of 25 new businesses and 36 new jobs, and spurred over \$255,000 of private sector investment.

### Funding and Revenue Outlook

Early phase (pre-launch) revenue projections for Mountain Harvest Kitchen were based on a 2013 feasibility study that estimated net-positive revenue would be achieved in Year Three of operation, with 97% of that revenue generated by kitchen facility rentals, and the remainder generated by

educational and community events. As Mountain Harvest Kitchen now enters its third year of operation, it is clear that the 2013 feasibility study was ambitious in its projections. Extrapolating from MHK's actual 2019 Q2 revenue, the kitchen currently operates with just under \$100,000 in annual operating support, provided exclusively by the Town of Unicoi. (It should be emphasized that this refers exclusively to the kitchen's *operational* expenses. MHK has received extensive grant support to help cover its capital/infrastructure expenses for facility build-out and equipment purchases. Through these grants, the Town of Unicoi has leveraged nearly \$1 million in outside funding.)

The 2013 study's Year Three facility rental revenue projection was based on an average of about 23 hours sold per day (assuming some of that usage to



*“There’s so much that goes into planning and opening a new restaurant. We couldn’t have opened our first restaurant in Johnson City without the support and investment from the community. **Mountain Harvest Kitchen has been a part of that community for me and so many others.**”*

*- Chef Nathan Brand, Co-owner and Chef at Timber in Johnson City*

be simultaneous) and an average rental rate of almost \$19/hour. MHK's actual 2019 second quarter saw an average of about 4 hours sold per day, with an effective average rental rate of just under \$16/hour. Kitchen rental accounts for 78% of all generated revenue, with remaining revenue coming from storage rentals, educational events, and food truck infrastructure rental.

With this strategic plan, we encourage Mountain Harvest Kitchen and the Town of Unicoi to adjust revenue expectations to more realistic goals. MHK may never achieve net-positive revenue to obviate ongoing subsidy; but this does not in any way mean that MHK has failed or is not meeting its potential. Indeed, many incubator kitchen programs across the U.S. do not rely exclusively on their own earned revenue, including many best-in-class programs. These programs are partially subsidized through grants from foundations, governments, economic development agencies, and corporate funders who support the mission and economic and community impacts of these programs.

With that said, we also see significant potential for MHK to increase its earned revenue – especially by expanding its user base. By adding users and maintaining or increasing their average hours per month and effective average rental rate, MHK will continue to reduce its needed subsidy. This strategic plan emphasizes a twofold strategy to ensure the sustainability of MHK's program: 1) increase earned revenue by expanding the kitchen's user base, and 2) diversify funding by seeking additional fiscal sponsors/partners. These strategies have the potential to significantly reduce the financial burden on Unicoi's annual budget. Based on the strategic framework provided by this plan, the Kitchen Director will set incremental goals for increasing revenue through both of those channels.

### **Mountain Harvest Kitchen Serving the Region**

Mountain Harvest Kitchen is undeniably a regional asset: it serves communities beyond just the Town of Unicoi, and its impacts in the food economy will reach across the region. The nearest other kitchen incubator facility, Blue Ridge Food Ventures, is nearly 60 miles away in Asheville, NC. MHK is thus well-positioned to own its identity as the leading facility and resource for food entrepreneurs in the immediate region, anchored by the communities

*Mountain Harvest Kitchen is well-positioned to own its identity as the leading facility and resource for food entrepreneurs in the region.*

of the Tri-Cities, with over half a million residents in the 10-county Combined Statistical Area; and indeed, most of MHK's current and past users come from the broader Tri-Cities area. As MHK increases its visibility, it has an opportunity to more explicitly position itself as an asset and resource to the region.

### **Local Foods and Economic Development**

The local and regional food supply chain can be a particularly effective lever for economic development. Food entrepreneurs are small businesses: they source locally, they hire locally, and they spend locally, all with positive economic impacts along the way. The Mayors Innovation Project's 2014 guide, "Local Food & Economic Development," highlights the benefits of local food supply chains, citing, for example, a Wisconsin study which found that one

*Small food businesses source locally, hire locally, and spend locally - with positive local economic benefits.*

dollar spent on local food recirculated \$2.6 in the state's economy. The guide makes a number of recommendations to local governments, two of which directly support the rationale for MHK's program: "Use economic development

funding for food businesses," and "Incubate local food businesses." Mountain Harvest Kitchen responds to critical barriers and gaps in the region's food business ecosystem; the businesses it incubates will directly and indirectly create new jobs and contribute to the economic activity of region. As MHK grows and expands its reach, its economic impact will grow as well.

### **The Trajectory of a Food Entrepreneur**

As food businesses grow, their needs evolve. Incubator programs like Mountain Harvest Kitchen typically focus on the needs of businesses in their early stages – until they "graduate" to their own dedicated brick and mortar production (and sometimes retail) space. Kitchen facilities are the core support that incubators provide to new and growing businesses, but additional resources can enhance the growth and support of their member businesses. The range of needs that incubator programs respond to can be thought of in four categories:

- **Infrastructure:** kitchen facilities, special equipment, retail space, distribution infrastructure

- **Access to Markets:** Ways for businesses to access new and existing customers (retail and wholesale)
- **Education:** Formal or informal learning through classes, mentorship, workshops, etc.
- **Technical Assistance:** Specific problem-solving assistance with business and production issues

While all food business needs and trajectories are unique, the graphic on the following page generalizes how needs change as a business grows, and highlights the areas that MHK programming focuses on.

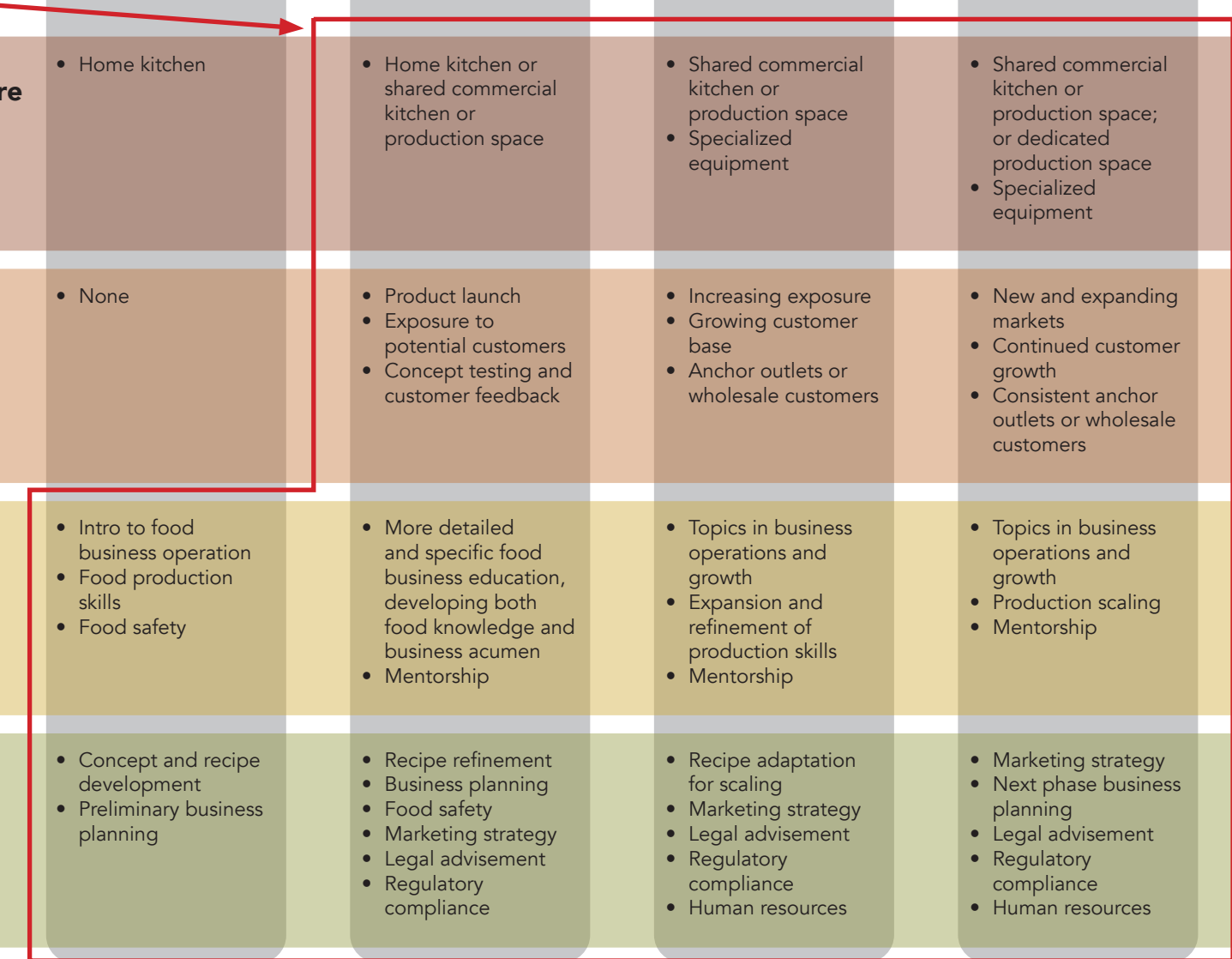


*"I'm a pretty intrepid cook, but I hadn't ventured into Asian cooking before. Now I feel TOTALLY emboldened. Look out!"*  
- Participant, Chinese Dumplings from Scratch workshop

## Charting the Trajectory of a Food Entrepreneur

	Pre-Concept	New Venture	Emerging	Growing	Established
<b>Infrastructure</b>	<ul style="list-style-type: none"> <li>Home kitchen</li> </ul>	<ul style="list-style-type: none"> <li>Home kitchen or shared commercial kitchen or production space</li> </ul>	<ul style="list-style-type: none"> <li>Shared commercial kitchen or production space</li> <li>Specialized equipment</li> </ul>	<ul style="list-style-type: none"> <li>Shared commercial kitchen or production space; or dedicated production space</li> <li>Specialized equipment</li> </ul>	<ul style="list-style-type: none"> <li>Dedicated production space</li> <li>Brick and mortar retail space or outlet (if appropriate)</li> </ul>
<b>Access to Markets</b>	<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>Product launch</li> <li>Exposure to potential customers</li> <li>Concept testing and customer feedback</li> </ul>	<ul style="list-style-type: none"> <li>Increasing exposure</li> <li>Growing customer base</li> <li>Anchor outlets or wholesale customers</li> </ul>	<ul style="list-style-type: none"> <li>New and expanding markets</li> <li>Continued customer growth</li> <li>Consistent anchor outlets or wholesale customers</li> </ul>	<ul style="list-style-type: none"> <li>Customer base is consistent, right-sized, diversified, reliable, and growing</li> </ul>
<b>Education</b>	<ul style="list-style-type: none"> <li>Intro to food business operation</li> <li>Food production skills</li> <li>Food safety</li> </ul>	<ul style="list-style-type: none"> <li>More detailed and specific food business education, developing both food knowledge and business acumen</li> <li>Mentorship</li> </ul>	<ul style="list-style-type: none"> <li>Topics in business operations and growth</li> <li>Expansion and refinement of production skills</li> <li>Mentorship</li> </ul>	<ul style="list-style-type: none"> <li>Topics in business operations and growth</li> <li>Production scaling</li> <li>Mentorship</li> </ul>	<ul style="list-style-type: none"> <li>Minimal ongoing education needs</li> </ul>
<b>Technical Assistance</b>	<ul style="list-style-type: none"> <li>Concept and recipe development</li> <li>Preliminary business planning</li> </ul>	<ul style="list-style-type: none"> <li>Recipe refinement</li> <li>Business planning</li> <li>Food safety</li> <li>Marketing strategy</li> <li>Legal advisement</li> <li>Regulatory compliance</li> </ul>	<ul style="list-style-type: none"> <li>Recipe adaptation for scaling</li> <li>Marketing strategy</li> <li>Legal advisement</li> <li>Regulatory compliance</li> <li>Human resources</li> </ul>	<ul style="list-style-type: none"> <li>Marketing strategy</li> <li>Next phase business planning</li> <li>Legal advisement</li> <li>Regulatory compliance</li> <li>Human resources</li> </ul>	<ul style="list-style-type: none"> <li>Minimal ongoing TA depending on business needs</li> </ul>

**MHK Program Focus Areas**





## Objectives of the Strategic Plan

**The objectives of the Mountain Harvest Kitchen 2019 Strategic Plan are:**

*To clarify MHK's programmatic mission, vision, focus, and approach, and to provide goals and milestones for the program as it grows*

*To serve as a public-facing communication tool, to help tell the story of MHK and how it serves the region and the community*

*To identify specific near-term action items in advancing the MHK mission*

# *THE PLAN*

## **Proposed Mission & Vision**

### **MISSION**

*The mission of Mountain Harvest Kitchen is to nurture the growth and success of aspiring food entrepreneurs in the region by providing access to kitchen infrastructure and comprehensive business support services, and to contribute to the development of a vibrant regional food economy by building community around the region's food culture.*

### **VISION**

*We envision a thriving and inclusive regional food system that offers economic opportunity for food producers and entrepreneurs while celebrating the unique agricultural and culinary traditions of the region and its residents.*

## Plan Overview

### Objective 1. **Ensure the long-term sustainability of Mountain Harvest Kitchen.**

- 1A. Refine the organizational structure of Mountain Harvest Kitchen, its leadership, and its networks.
- 1B. Diversify Mountain Harvest Kitchen's revenue and funding streams.

### Objective 2. **Build the user base of Mountain Harvest Kitchen.**

- 2A. Expand awareness and understanding of Mountain Harvest Kitchen.
- 2B. Clarify and reinforce Mountain Harvest Kitchen's primary focus on entrepreneur support.
- 2C. Tell the stories of Mountain Harvest Kitchen's users.
- 2D. Identify and connect with high-potential user communities in the region.

### Objective 3. **Enable and support the success of food entrepreneurs in the region.**

- 3A. Deliver programs and facility offerings to best serve the region's food entrepreneurs.
- 3B. Provide comprehensive industry-specific business support across early stages.
- 3C. Develop and reinforce partnerships to expand programs and services.

### Objective 4. **Contribute to the growth of a vibrant regional food economy.**

- 4A. Become a leading voice, advocate, and convener for the regional food system.
- 4B. Establish Mountain Harvest Kitchen's status as a unique regional asset.
- 4C. Cultivate partnerships with organizations and individuals aligned to advance the region's food systems.

### Objective 5. **Build community around food.**

- 5A. Foster networks and facilitate relationships among the region's food entrepreneur community.
- 5B. Target MHK-led community programming to potential/early stage food entrepreneurs.
- 5C. Serve as a host site for broader food-related community programming.

## Objective 1: Ensure the long-term sustainability of Mountain Harvest Kitchen.

### STRATEGIES

**1A.** Refine the organizational structure of Mountain Harvest Kitchen, its leadership, and its networks.

**A more effective and efficient leadership structure for MHK** could include a Leadership (or executive) Committee of 4-5 highly engaged leaders; a looser Advisory Committee with relevant expertise, skills, and networks; and a Mentor Network to offer mentorship to MHK's clients. The Director and Leadership Committee should also explore the implications of creating a 501c3 to manage or offer support to MHK.

**1B.** Diversify Mountain Harvest Kitchen's revenue and funding streams.

To date, the only source of MHK's ongoing operational support, aside from its earned revenue, is the Town of Unicoi. **Mountain Harvest Kitchen can build a strong case that it serves the region, and as such, should have broader fiscal support**, not just from other regional government and economic development entities, but also from philanthropic organizations and mission-aligned corporate donors.

### ACTIVITIES & NEAR-TERM TACTICS

#### Improved Organizational Structure

- Formalize new organizational structure of advisors and leaders
- Explore 501(c)3 status

#### Sustainable Growth

- Develop a more robust organizational capacity of well-trained staff to improve MHK services and offerings for key functions (equipment support, programming, sales, education, marketing, etc.)

#### Diversified Funding

- Establish long-term partnerships with corporate, regional government, economic entities, and philanthropic organizations for operational support
- Develop strategy for events and other public fundraising efforts

## Objective 2: Build the user base of Mountain Harvest Kitchen.

### STRATEGIES

#### 2A. Expand awareness and understanding of Mountain Harvest Kitchen.

MHK is a young organization whose current focus on food business incubation has evolved from earlier concepts more focused on community programming. Thus, not only is awareness of MHK low, the program is also challenged by misunderstanding of what it does and who it serves. **Efforts to expand awareness, clarify its mission and program, and celebrate its achievements will be critical in the program's next phase of growth.**

#### 2B. Clarify and reinforce Mountain Harvest Kitchen's primary focus on entrepreneur support.

Through this strategic planning process, MHK leadership and stakeholders have affirmed that **support for food entrepreneurs is the core mission of the program.** Thus, MHK can enthusiastically "own" this program focus through a revised mission statement, public messaging and outreach, and program design.

#### 2C. Tell the stories of Mountain Harvest Kitchen's users.

**The real human stories and successes of MHK's users may be the program's greatest asset in expanding awareness and support.** By developing clear and consistent ways of collecting, framing, and sharing these stories on an ongoing basis, MHK will be able to celebrate its accomplishments, building the rationale for why it is a unique and valuable asset to the region.

#### 2D. Identify and connect with high-potential user communities in the region.

Farmers, farmers' market vendors, caterers and immigrant communities are a few examples of **populations with high potential for becoming users for the kitchen.** Identifying and tapping into these networks and developing pipelines that draw users from these communities into the MHK family will expand impact while also contributing to financial sustainability.

### ACTIVITIES & NEAR-TERM TACTICS

#### New Messaging

- Refine all messaging to emphasize support for food entrepreneurs
- Increase visibility of MHK user stories and successes

#### Expanded Visibility

- Launch updated marketing strategy with improved website, social media activity, newsletter, and public facing communication.

#### Targeted Outreach

- Identify and connect with high-potential user communities in the region.
- Engage potential user communities to build stronger pipelines to MHK.

## Objective 3: **Enable and support the success of food entrepreneurs in the region.**

### STRATEGIES

**3A.** Deliver programs and facility offerings to best serve the region’s food entrepreneurs.

With its finger on the pulse of the detailed needs of each food business growth phase – in terms of infrastructure, technical assistance, education, access to markets, and mentorship – **MHK can tailor and improve its programs to best serve the region’s entrepreneurs.**

**3B.** Provide comprehensive industry-specific business support across early stages.

The food industry is complex. In addition to business strategy, marketing, sales and access to capital, emerging food startups must navigate challenging industry issues in product development, regulations and food safety. **MHK’s ongoing program refinement can be designed with these diverse needs in mind.**

**3C.** Develop and reinforce partnerships to expand programs and services.

While MHK offers industry-specific support and service, **cultivating a strong network of small business management advisors** with expertise in HR, licensing, taxes, financing, marketing, etc. will be critical for advancing new and growing businesses.

### ACTIVITIES & NEAR-TERM TACTICS

#### Program Improvement

- Identify priority areas for program improvement

#### Facility

- Procure versatile equipment and necessary licensing to help streamline and commercialize a diverse array of food production applications, e.g. CPG, retail foodservice concepts, catering and food truck support.

#### Industry-specific Assistance

- Partner with allied industries to provide or develop cross-industry trainings
- Promote existing and publish new industry-specific educational resources (fact sheets, reports, sample business plans, etc.)

## Objective 4: **Contribute to the growth of a vibrant regional food economy.**

### STRATEGIES

**4A.** Become a leading voice, advocate, and convener for the regional food system.

Mountain Harvest Kitchen is well-situated to serve as a “flagship” organization for the regional food system. Given its location at the nexus of place-based food activity - linking farmers, food producers, and eaters - **MHK should embrace a leadership and advocacy role in the advancement of the region’s food economy.**

**4B.** Establish Mountain Harvest Kitchen’s status as a unique regional asset.

**Mountain Harvest Kitchen should proudly own its role as the region’s only food business incubator.** Its marketing and fundraising strategies, as well as its funding streams and partnerships, should leverage its regional reach and look beyond the boundaries of the Town of Unicoi.

**4C.** Cultivate partnerships aligned to advance the region’s food systems.

Engagement with food systems, food access, and entrepreneurial efforts across the region will lead to new opportunities and will enhance MHK’s program impacts.

### ACTIVITIES & NEAR-TERM TACTICS

#### Regional Leadership

- Lead or participate in collaborative efforts to advance the food system
- See municipal and state policies enacted that advance the food entrepreneurs and the industry.

#### New Messaging

- Ensure that messaging and marketing language positions MHK as a regional asset

#### Partnership Development

- Engage partners and funders that reflect the regional impact of MHK’s programming.
- Advocate for regional education programs in culinary arts, hospitality, food science, and entrepreneurship.



## Objective 5: **Build community through food.**

### STRATEGIES

**5A.** Foster networks and facilitate relationships among the region’s food entrepreneur community.

**Mountain Harvest Kitchen is well-positioned to cultivate collaborative and social relationships among the region’s food entrepreneurs** - through mentorship, networking events, and other programming. The networks fostered by these activities will help advance the culture of entrepreneurship in the region, while reinforcing the success of entrepreneurs through informal knowledge sharing, collaboration and mutual support.

**5B.** Target MHK-led community programming to potential/early stage food entrepreneurs.

To be consistent with its overall mission focus, **public programming that MHK creates and leads should be focused on potential or early stage food entrepreneurs** (e.g. “So you want to start a food business?” course offerings). These program offerings will also serve to funnel potential users into the kitchen program.

**5C.** Serve as a host site for broader food-related community programming.

Even if MHK does not originate or lead broader (i.e. not entrepreneur-focused) food programming, this does not mean that the facility can’t be used for such programs. **MHK can serve as a host site for other food programming offered by partner organizations**, such as classes in nutrition, canning, or cooking for home.

### ACTIVITIES & NEAR-TERM TACTICS

#### Network Development

- Support network-building among the region’s food entrepreneurs
- Set specific goals for mentorship relationships and networking engagements

#### Program Improvement

- Focus community programming efforts on entrepreneurship topics
- Create learning opportunities for industry perspectives (volunteering, internships, introductory workshops)

#### Partnership Development

- Formalize key partnerships with organizations that will offer broader food-related programming at Mountain Harvest Kitchen

## ENTREPRENEURIAL ECOSYSTEM AND PARTNERSHIPS

The “entrepreneurial ecosystem” refers to the environment of organizations, institutions, businesses, and individuals that can serve to support and advance entrepreneurship in a city or region. Even though these entities are not formally organized as a network, they form the backdrop for new and growing businesses. They include government and economic development agencies, business support organizations (e.g. small business development centers), university-led innovation labs, and more established businesses.

Mountain Harvest Kitchen plays a “keystone” role in the region’s entrepreneurial ecosystem for food businesses. Not only does MHK offer its own supports and services, it also links new and growing businesses to other key players in the ecosystem. As such, the entrepreneurial ecosystem concept can help guide MHK in its partnership development - by helping to illustrate the key entities and players that will influence a new food entrepreneur’s success.

As this strategic plan aims to emphasize, MHK is a critical asset to the *region’s* food entrepreneurial ecosystem - not just the Town of Unicoi - and, as such, should feel confident seeking new funding partners to help support MHK’s ongoing operations. These funders could include regional government and economic development entities, foundations and other philanthropic organizations, and corporate donors.

A table listing some of MHK’s key existing partnerships, as well as potential new partners suggested by attendees at visioning workshops, can be found in the appendix of this plan.

# *ADDITIONAL INFORMATION*

## USER SPOTLIGHT: LAZY LADY BAKING CO.



**Lazy Lady Baking Co.** launched from Mountain Harvest Kitchen in 2018 and has quickly become a Tri-Cities favorite for artisanal baked goods. Owner Maren Close, a Johnson City native, attended culinary school in Asheville before moving to work in some of the country's most influential bakeries in San Francisco.

With nearly a decade of pastry experience under her belt, Maren's dream to launch her own bakery has taken shape since starting at MHK. Maren's first sales were at farmers' markets and have developed into larger special orders, pop-up events, and a handful of wholesale accounts.

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*“Working from Mountain Harvest Kitchen has allowed me to focus on developing my customer base while my brick and mortar bakery location is being renovated. The production space has all of the professional equipment I need to make larger batches and achieve consistency in my pastries.”*

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## USER SPOTLIGHT: FIT CLEAN MEALS



**Fit Clean Meals** started as a way to offer convenient healthy foods to the community. As a husband, a father, a musician, and a chef, owner Ajay Koeth knows that eating healthy can be a challenge with a busy lifestyle. Ajay previously operated a catering business in Nashville, TN before moving to the Tri-Cities and beginning his independent prepared meals business with a twist. Inspired by his Western Indian heritage and the spices that were prevalent growing up along the shores of the Arabian Sea, Ajay's meals are infused with global flavors.

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*“Mountain Harvest Kitchen has made it possible for us grow our meal prep business. Their state of the art facility, storage space, and commercial equipment have allowed us to efficiently make hundreds of healthy meals accessible to the community.”*

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## USER SPOTLIGHT: J. BAKE



**J.Bake** is a family owned bakery business that is operating from MHK as they build out their own cafe. With over 30 years of combined industry experience, these bakers are excited to branch out on their own. Influenced by the whole grain movement, freshly milled specialty grains are often featured in their breads and pastries.

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*“Our dream is to bring high quality breads and baked goods to the Tri-Cities and Mountain Harvest Kitchen seems like the right place for us to do that. Working here we’ve been able to test out commercial equipment as we design our own space and determine what we’ll need.”*

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## INCUBATOR CASE STUDY: NYC ENTREPRENEUR SPACE

### Mission and Vision

“To help emerging entrepreneurs build their business by providing affordable space and counseling.”

### Location and Population

Entrepreneur Space is located in Long Island City, Queens. Long Island City has a population of 47,500 and exists in NYC with a population of 8.26 M. There are ample public transportation options for entrepreneurs interested in using the space.

### Overview

Started in 2011 with funding from the NYC Economic Development Corporation (NYCEDC), Entrepreneur Space is a multi-use facility in Long Island City, Queens. It holds a 5,500 sq/ft commercial kitchen that is open 24/7; 7,000 sq. ft. of office and classroom space for rent, and business counseling for food entrepreneurs. Since its inception, it has served more than 650 food businesses with assistance from program consultant Katherine Gregory, a national expert on food business incubators and the principal of Mi Kitchen Es Su Kitchen. Entrepreneur Space focuses on building networks of food businesses who can rely on each other for advice and support.

### Funding and Revenue

Entrepreneur Space was started in partnership with NYCEDC with a grant of \$170,000. As of 2016, the kitchen had 125 active manufacturers, generating about \$550,000 annually in revenues. Costs of each kitchen shift vary depending on time of day, with the most expensive being the day shift (\$235) and the least expensive being the overnight shift (\$165). The fee includes carting (garbage pick-up), cleaning supplies and chemicals and the assistance of a part-time Client Associate (CA) for two hours. The space is primarily supported by earned revenue with some additional support by the Queens Economic Development Corporation (QEDC).



### Key Learnings

- 1. Entrepreneur Space has a long term consulting partner instead of an in-house accelerator.** Entrepreneur Space has partnered with Katherine Gregory since its inception. As an expert in food business entrepreneurship, she helps clients navigate all of the steps of starting their new food business including licenses and certifications. She provides these services for a low fee or pro bono depending on the resources of the entrepreneur. This enables the space to function as a more traditional shared-use kitchen while still providing support to budding entrepreneurs.
- 2. Entrepreneur Space is focused on network building.** Through creating meaningful networks, Entrepreneur Space creates informal incubation through information sharing. Clients share information, attend similar events, and provide general support for each other.
- 3. The city government is a key partner and funder.** In addition to assisting with start-up capital, New York City government has helped to facilitate the use of the space. From 2015-2018 the Entrepreneur Space teamed up with the New York City Housing Authority to assist with the Food Business Pathways program, offering a free food business incubator to public housing residents. Although this program sunset in 2018, over 45 residents were supported through this transformative program.

## INCUBATOR CASE STUDY: COMMONWEALTH KITCHEN

### Mission and Vision

“CommonWealth Kitchen is a collaborative community, providing shared kitchens combined with business assistance to help aspiring entrepreneurs build great food companies, create jobs, improve healthy food access, and strengthen our regional food economy.”

“We believe that an equitable and resilient local economy requires closing Boston’s growing wealth divide by promoting inclusive entrepreneurship and creating sustainable employment, with a focus on people who have been impacted by racial, social, and economic inequality.”

### Location and Population

CommonWealth Kitchen is an urban incubator. Its facilities are located in Dorchester, MA which has a population of 87,585 people but it serves the 685,094 people who live in the Boston, MA area. They recently opened a retail space in Kendall Square featuring members of its food business incubation community on a rotating basis.

### Overview

CommonWealth Kitchen (CWK) was founded in 2009 and has experienced significant growth over the past five years. They operate a commercial kitchen, a commissary kitchen, a manufacturing facility and an office space for their technical support programs. They also house plenty of frozen, cold, and dry storage for their clients. Their approach is multifaceted and focuses on new food businesses as well as scaling existing food businesses. CWK aims to fill gaps wherever they see them and to help their clients through every step of the process from recipe development, licensing and certification to distribution and national partnerships. They have 58 current clients and maintain ongoing partnerships with numerous farms, local companies, and anchor institutions on manufacturing and packaging. They have strategic relationships with industry, community, and academic institutions in their area that assist with fundraising, long-term planning, and earned revenue.

### Funding and Revenue

Executive director Jen Faigel comes to her role from the world of real estate consulting. She took over in 2014, and through strong partnerships, real estate acquisition, and managed risk, she grew the CWK from negative net assets to \$1 million in positive assets. In this time, the operating budget increased from \$320k to \$2.4 million. **As of 2018, 44% of CWK’s budget came from earned revenue, with sights to reach 100% earned revenue by 2023.** CWK earned revenue streams include a shared kitchen, outsourced manufacturing (fee-for-service food production), institutional manufacturing, and a farmer value-added program. The majority of earned revenue growth is expected to come from outsourced manufacturing. A team of 25 employees run the organization and there are many advisors who volunteer their time.

### Key Learnings

**1. Data capture and communications.** The way CWK tracks metrics and uses them in communications materials is exemplary. They don’t just know how many businesses they have graduated, but the scale of those businesses, the number of people they employ, and the estimated impact on the economy. This paints the picture of an ecosystem that is thriving because of this project. Presumably this is key to their successful fundraising efforts. It also deepens trust with the community.

**2. The Lilypad Effect: a systems approach.** Executive Director Jen Faigel has been criticized for having multiple goals, but as she sees it, she is taking a systems approach. By offering not just a kitchen space but networking, training, manufacturing, retail, CWK is addressing multiple roots of the same problem. “Once you have one step figured out, you can jump to the next thing without compromising quality, service, or margins. However, it requires focusing on only one lilypad at a time while keeping an eye on the whole pond.”

**3. Strategic Partnerships.** It is clear from their list of partners that the Lilypad Effect is made possible by an extensive network of partners, big and small. From small neighborhood coalitions to major universities and companies, their list of over 40 partnerships tell a story of collaboration that has made their growth and earned revenue streams possible.



## INCUBATOR CASE STUDY: **HOPE & MAIN**

### Mission and Vision

“Our mission is to help local entrepreneurs jump-start early-stage food companies and food-related businesses by providing low-cost, low-risk access to shared-use commercial kitchens and other industry-specific technical resources.”

“Our goal is to help grow the local food economy by creating a community of support for food entrepreneurs and cultivating an environment where emerging culinary startups can test, create, scale and thrive.”

### Location and Population

Hope & Main is located in Warren, RI which has a population of 10,611 people and is a 20-minute drive from the city of Providence, RI with a population of 180,000.

### Overview

Hope & Main is a non-profit incubator and commercial kitchen that uses a membership-only model to support local food businesses. Since 2014, over 150 food businesses have been housed in the old school house that is now Hope & Main. Members have access to four code-compliant shared-use kitchens that are open 24/7 with an online sign up, as well as small-batch manufacturing and business classes. Hope & Main also has a demonstration kitchen that can be used by members as a training or gathering space. As a part of their mission to grow the local food economy, Hope & Main hosts regular Makers Markets at which their members can demo their food and branding and receive feedback on their product. Their most recent venture is a Hope & Main app, a “virtual farmers’ market” aimed at getting their members’ products out of the local farmers’ market and into homes and mouths across the country.

### Funding and Revenue

Hope & Main began with a rural USDA grant, but founder Lisa Raiola was interested in making this Rhode Island incubator a sustainable business. The incubator does not take equity in its companies, and revenue comes from



rentals and programming. Memberships range in cost and reward frequent users. Their anchor tenants, for example, sometimes sign 6-12 month leases for lower hourly rates. Most recently, the incubator has been supported by 75% earned revenue, primarily from memberships and events. Currently, Hope & Main has a client base of over 50 members, however the future of financial sustainability for Hope & Main is an ongoing question as usership undergoes natural fluctuations.

### Key Learnings

- 1. Use events to bring in the community.** Hope & Main hosts Makers Markets as well as regular events that satiate the public’s interest in food-focused events while giving the makers an opportunity to build up a client base and get feedback on their product. It also functions as a marketing platform for Hope & Main.
- 2. Food Business Bootcamps.** Six or seven times each year, Hope & Main puts on a daylong food business boot camp for individuals who might be interested in starting a food business. This will give them a sense of the work involved with starting their own business as well as the facilities and technical assistance available through Hope & Main.
- 3. Strong social media presence.** Hope & Main has cultivated a strong social media presence to ensure that they can spread the word about their facility and attract new businesses to their shared-use kitchen. They focus on storytelling as a way to attract a diverse cohort of users.

## INCUBATOR CASE STUDY: **ACEnet**

### **Mission and Vision**

“The Appalachian Center for Economic Networks (ACEnet) is a community-based economic development organization serving the 32 counties of Appalachia Ohio. The mission of ACEnet is to grow the regional economy by supporting entrepreneurs and strengthening economic sectors.

“ACEnet staff accomplishes this mission by partnering with regional microenterprise and development practitioners to create a healthy local economy, allowing opportunity for all residents to start businesses, obtain quality jobs, and connect with other entrepreneurs for mutual benefit.

“We envision a resilient economy in which all people have the resources and opportunities to prosper.”

### **Location and Population**

Located in Athens, Ohio, a semi-rural area. Athens has a population of 25,500 people. ACEnet serves 32 counties, known as the Appalachian Corridor that has a total population of 1,960,333.

### **Overview**

Appalachian Center for Economic Networks (ACEnet) has multiple facilities, a huge network of supporters and strategic partners and many years of proven success. Under the ACEnet umbrella of facilities is: a food business incubator, which houses 25 small businesses and access to office space; a food venture center in Athens, OH which houses a central kitchen, thermal processing room, and warehouse; and a food hub in Nelsonville, OH, that encompasses almost 100,000 sq. ft. in warehouse and office space. Together this network aims to grow the regional food economy in rural Ohio.

While there are many strategies necessary to rebuild the local food economy, ACEnet has identified four core elements to their work: Training and Technical Assistance, Business Incubation and Infrastructure Development, Access to Capital Services, and Capacity Building. In each of these areas they have brought on partners who can speak to the details of everything from branding to nutritional assessment. They provide business support to members of their food ventures program and are strong advocates of networking among their

program participants to share best practices and to compare business models. They also connect businesses with low-interest loans from local banks and other investors interested in helping the local economy grow. Perhaps their most innovative work has been the creation of their umbrella brand: Food We Love. Launched in 1999 after a branding study, Food We Love has helped ACEnet to focus their technical support. In the 10 years since they launched Food We Love, they have grown to understand what is needed for a product to thrive. They focus their efforts on four categories that they deem critical to success: product development, product placement, quality control, and marketing / consumer education.

### **Funding and Revenue**

In addition to revenue earned from facility rentals, ACEnet’s 2017 funders included the Ohio Micro-Enterprise Program, USDA Rural Development, U.S. Small Business Administration, USDA, Appalachian Regional Commission, and the Osteopathic Heritage Foundation of Nelsonville (OH).

### **Key Learnings**

**1. Umbrella Branding.** “Food We Love” was created to collectively market all of the food products being graduated by the food business incubator or being manufactured in the ACEnet facility. This allows new food products to immediately find a home in a well-recognized brand that came to be associated with the local food movement. After 12 years of joint branding, more than 47 businesses participate in Food We Love, representing more than 250 products.

**2. Identify gaps in your local food chain.** Creating change in the local food system is a long game that involves changing the purchasing habits of consumers through strong branding as well as building up food-related infrastructure to increase supply. This can only happen efficiently if a food venture is clear on where there are gaps in their own food system.

**3. Team Up.** ACEnet believes that the first years of any incubator project should have a strong local partner, whether it be a university or community development program that can help to share some of the operational cost and workload.

## INCUBATOR CASE STUDY: Chesapeake Culinary Center

### Mission and Vision

“Established in the fall of 2004, the Chesapeake Culinary Center (CCC) provides culinary training to both youth and adults. We also offer many student-run programs, which affords practicum learning experience.”

### Location and Population

Denton, Maryland sits on the Delmarva coast and has a population of 4,500. The center is meant to serve the entire Delmarva that has a population of 681,000.

### Overview

This former school building was reopened in 2014 after a collaboration between the U.S.D.A., block grants, the Governor’s Office of Child Services, and Community Legacy raised enough funds to transform the space into a culinary center for the community. It is now home to a café called Shore Gourmet Denton Market, two kitchens, a classroom in the basement where the old cafeteria once lived, and three event rooms on the third floor. Beth Brewster, the supervisor of food services for the local school district has set her sights on developing a farm-to-school pipeline for local school lunchrooms. Chef David Murray returned from a career in NYC to become the Culinary Director for the culinary education and catering programs. The space has a commercial kitchen that can be rented by local constituents to manufacture products for market.

### Funding and Revenue

Chesapeake Culinary Center worked with the city of Denton, MD to raise funds for renovating the historic former school house. The 5,295 square foot received \$2,300,000.00 to complete the project and is currently in the throes of developing earned revenue streams like the school catering and education programs. As a part of the programming, the CCC has an ongoing partnership with the Caroline County School Board as well as numerous local partners. The commercial kitchen currently operates at breakeven.



### Key Learnings

- 1. Multi-use kitchen.** This space was designed to be used as a kitchen incubator as well as a teaching facility. Catering for local events and school cafeterias provide additional, dependable income for the incubator while still providing a space for community use
- 2. Culinary Education Programs.** The CCC was built as a community-based facility to awaken a love of cooking in families and youth across the eastern shore of Maryland. They provide cooking “boot-camps” to youth and adults for fun and also for pre-professional education. Some of their class “graduates” have gone on to professional cooking careers. They are looking to expand these programs further and to include a bartending class.

## ABOUT THE STRATEGIC PLANNING PROCESS

This strategic plan is the result of a research and planning process led by food enterprise consultancy Karen Karp & Partners (KK&P) from June through October 2019. The core stakeholder engagement occurred during a 2-day site visit made by KK&P Senior Consultant Ben Kerrick in July. During that visit, Ben Kerrick led and facilitated three visioning sessions: one with the kitchen advisory committee, and two public convenings in Unicoi and Johnson City. Over 70 people attended the two public meetings, including representatives from the following organizations or stakeholder groups:

- AccelNow
- ARC&D
- East Tennessee State University (ETSU) Department of Sustainability, Office of Professional Development, Department of Management and Marketing
- ETSU Innovation Lab
- Farmers
- Food Entrepreneurs
- First Tennessee Development District
- Jonesborough Locally Grown/Boone Street Market
- MHK advisory committee
- NE State
- Public stakeholders and interested individuals
- Second Harvest Food Bank
- Small Business Owners
- TN Department of Health
- Town of Unicoi Staff and Elected Officials
- TSBDC
- UT Extension

Ben conducted individual interviews with Unicoi Mayor Johnny Lynch; Unicoi Alderpersons Kathy Bullen, Doug Hopson, Jeff Linville, and Wanda Radford; and MHK users Ajay Koleth (Fit Clean Meals), Maren Close (Lazy Lady Baking Co.), and Lauren Jones (J. Bake); as well as one individual conversation with a resident of Unicoi. Ben made site visits to: the Unicoi Farmers' Market and the Johnson City Farmers' Market

The feedback gathered during these stakeholder engagement efforts was central to the formation of the plan's objectives and strategies.



*Public visioning session in Unicoi*

In addition to this stakeholder engagement, Ben also reviewed extensive background and context information relevant to MHK, including historic planning documents, financials, press, grant applications, and impact metrics.

Throughout the process, Ben and MHK Director Lee Manning were in frequent communication, sharing and clarifying information and iterating on components of the plan.

# EXISTING AND POTENTIAL PARTNERSHIPS

The tables below and on the following page list some of the key existing partnerships for MHK, as well as potential partnerships that were suggested by attendees at the visioning workshops held in July.

- Existing partnership
- Potential partnership

	PARTNERSHIP TYPE				
	Funding & Revenue	Education	Technical Assistance & Mentorship	Regional Food Economy	Marketing & Community Outreach
<b>Government &amp; Economic Development</b>					
Town of Unicoi	●				●
Other municipalities	●				●
State Government Agencies: Dept. of Agriculture, Dept. of Health	●	●	●	●	●
Federal Government Agencies: EDA, USDA, ARC	●			●	●
County Chambers of Commerce	●	●	●	●	●
County Economic Development Boards	●			●	●
NeTREP	●			●	●
NETWORKS Sullivan Partnership	●			●	●
Launch Tennessee	●			●	●
Southeast Tennessee Resource Conservation & Development Council	●			●	●
Tennessee Small Business Development Centers			●		●
Other Regional Small Business Development Agencies: VSBDC, SBA			●		●
Elected Officials	●				●
<b>Institutional</b>					
University of Tennessee Extension & Center for Profitable Agriculture		●	●		
Regional Extension Services: KY, NC, VA Tech		●	●		
East Tennessee State University (ETSU)		●	●		
ETSU innovation Lab		●	●		
Northeast State Community College		●	●		
Tennessee Colleges of Applied Technologies (TCAT)		●	●		
Milligan College		●	●		
Tusculum College		●	●		
County School Districts		●	●		
<b>Non-Profit</b>					
Appalachian Regional Conservation District (ARC&D)		●		●	●
Appalachian Sustainable Development (ASD)		●		●	●
Appalachian Sustainable Agriculture Project (ASAP)		●		●	●
Jonesborough Locally Grown & Boone Street Market				●	●
Regional Farmers Markets				●	●
Rural Resources				●	●
AccelNow		●	●		●

# EXISTING AND POTENTIAL PARTNERSHIPS

- Existing partnership
- Potential partnership

	PARTNERSHIP TYPE				
	Funding & Revenue	Education	Technical Assistance & Mentorship	Regional Food Economy	Marketing & Community Outreach
<b>Non-Profit (continued)</b>					
Co-Starters		●	●		●
The Inventor Center		●			●
First Tennessee Human Resource Agency				●	●
Entrepreneur Networking Groups		●	●	●	●
<b>Corporate</b>					
Grocery Stores: Food City, Earthfare, Ingles, Fresh Market, Publix	●	●	●	●	●
Commercial Food Distributors: Reinhart, Sysco, US Foods	●		●	●	
Regional Food Manufacturers	●		●	●	
Major Regional Employers	●				
<b>Philanthropic</b>					
Ayers Foundation	●				
East Tennessee Foundation	●				
First Tennessee Foundation	●				
<b>Loan Programs &amp; Financial Institutions</b>					
First TN Development District	●		●		
Mountain Biz Works	●		●		
Financial Institutions	●		●		
<b>Small Business Professionals &amp; Leading Entrepreneurs</b>					
Small Business Accountants			●		
Small Business Attorneys			●		
Marketing Consultants			●		●
Established Area Food Trucks, Catering Businesses, Restaurants, Farm Businesses, Brewers, CPG Businesses etc.			●	●	●
Small Specialty Food Retailers				●	●
Business Development Consultants & Privately Held Co-Working Spaces			●		●
Pal's Business Excellence Institute			●	●	
Specialty Foods Distributors: Mountain Food Products, Southern Culture, P10 Foods			●	●	
<b>Other</b>					
Press					●
MHK users	●			●	●

## ABOUT KAREN KARP & PARTNERS (KK&P)

Founded in 1990 as Karp Resources, Karen Karp & Partners (KK&P) is the nation's leading problem solver for food-related enterprises, programs, and policies.

Our Good Food is Good Business division supports the healthy development, execution, and operations of food businesses and initiatives in the public and private sectors. Our services include strategic sourcing, feasibility analysis, market research, business planning, policy development, project management, and evaluation.

Our Good People are Good Business division builds leadership and organizational effectiveness in the food sector through talent and performance management, organizational assessment, capacity building, executive coaching, recruiting, and employee engagement services.

KK&P's clients include corporations, government agencies, small businesses, non-profits, and educational organizations. For nearly 30 years we have spearheaded and been integral to the development and execution of dozens of strategic cross-sector partnerships formed to address the complexity of agriculture and food problems, including new relationships between environmental, agricultural, food and health organizations for policy, program and new business initiatives.

KK&P is a nationally certified Woman-owned business (WBENC).

Learn more at [kkandp.com](http://kkandp.com)