

Appalachian Center for Economic Networks Angie Maiden angiec@acenetworks.org

#### The Economic Case for Incubation

# ACEnet's Role

The Appalachian Center for Economic Networks is a regional entrepreneurship and economic development organization located in Athens, Ohio.

ACEnet builds the capacity of communities to network, work together and innovate to create a dynamic, sustainable regional economy with opportunities for all.

# Incubator Questions

What is an incubator?

A set of support systems and resources that support business from start up to expansion.

- Business counseling
- Facilities
- Equipment
- Mentors
- Networks
- Access to markets
- Financing

# Incubator Questions

What is the need and demand for businesses?

Is there support from leadership and the consumer market?

Between the lines...

What value would your incubator offer and have businesses expressed an interest in PAYING to utilize one?

What type of products or services are in demand? Political, public, and business support?

## **Favorable Trends**

- Buy Local, Buy Fresh ---- Branding
- Local is the new organic
- Exponential growth of farmers markets
- Celebrating Rural –Regional Flavor
- Country is re-examining our values
- Foodies and 'locavores' spread the word
- \$\$\$ for infrastructure on the way -- USDA



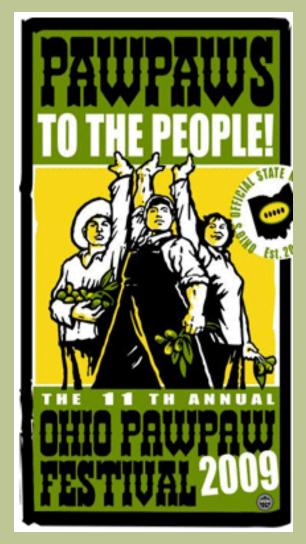
## **AFM Committed Customers**

Over 37 years of growth, easily impacts \$1m in annual local food sales



# Locavore's of all ages

are happy buying local at the markets, restaurants, retailers, festivals



































Ohio Brew Week Festival
JULY 12-18, 2009
ATHENS, OHIO









#### Civic Investment & Engagement

Culinary tourism, regional flavor enterprises promotes sales & new customers





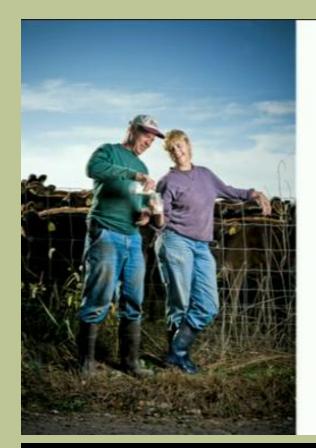




# Champions & Leaders

Our elected officials & agencies support local food systems

### Dairy Evangelist Warren Taylor of Snowville Creamery





#### Bill Dix and Stacy Hall

Dairy farm owners

#### How they are pushing boundaries:

Dix and Hall use sustainable management methods for their pasture-based herd. They provide Snowville Creamery with fresh milk that is pasteurized at the lowest legal temperature and not homogenized.

# Leadership on the Move

Entrepreneurs state our case for policy changes



# Leadership on the Move

Consumers shift their purchasing power & influence policy

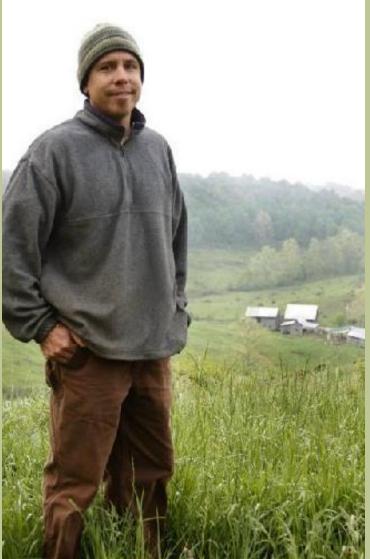
# Incubator Questions

Are you going to target a specific business sector or group of sectors or is the target market more general?

Between the lines...

What unique expertise, equipment, facilities, etc can you offer that they don't already have access to?









## Farm Innovators organics, direct marketing, csa's,

staple food crops, paw paws, goat cheese, "same day" dairy procss, value-adding









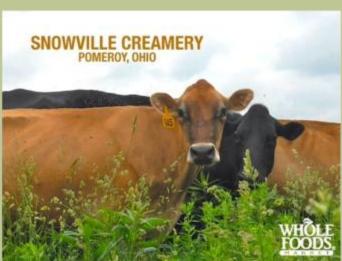




# Food Ventures Entrepreneurs:

specialty food products, restaurant signature product lines, bakeries, cafes







# **Snowville Creamery**

Significant private investment and job creation – in Ohio expanding to DC







# Frog Ranch Foods



Markets to most major chains --- growing since 1994













# Integration Acres

Food from the forest innovator, expanding & diversifying on farm processing









# **Ancient Roots**

Herbal beverages and teas from our fields and forests











#### Milo's Whole World Gourmet

Reaching regional, national & international markets



## Shag Bark Seed & Mill:

Staple crops grown by local farmers---grains, legumes & seed—processed at ACEnet



# Worker-owned Restaurant Corp

Casa Nueva, Cantina & Manufacturing --- purchases \$800K local to regional



#### Village Bakery, Undercover Market

In 2008 purchases \$265,000 in local and sustainable food & gifts













#### Avalanche Pizza

Local always "a recipe for success"



#### awebeditor.com

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Sand Ridge Bed and Breakfast



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- □ Content Management
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The websites created by awebeditor.com are pleasing to the eye an

for your visitors to find and use. Lisa Steinberg brings to you 20 years of communication experience as a business owner and website developer.

Resume:



Ms. Steinberg, of



Focus on creative industries, art retail, food and farm sectors, wellness and services









Incubator facilities house coops, service providers, tech and retail entrepreneurs



# ED MAP









# Incubator Questions

Where would you locate the incubator? New location, existing site, or group of sites?

Between the lines...

The critical elements are largely not a structure but the networking and business development services.



Building A & B houses over 33 tenants



Since 1991 ACEnet has operated 2 buildings of a mixed-use business incubator serving over 100 tenants in past 18 years

#### **ACEnet Columbus Road Campus**

First 2 business incubator buildings opened in 1991



- ✓ Local food hub opened in 1996, expanded in 1999
- ✓ Served over 250 tenants in past 14 years
- ✓ Over \$1.4 million investment

#### **ACEnet Food Ventures Center**

Food & farm tenants expanding into other ACEnet buildings in 2010





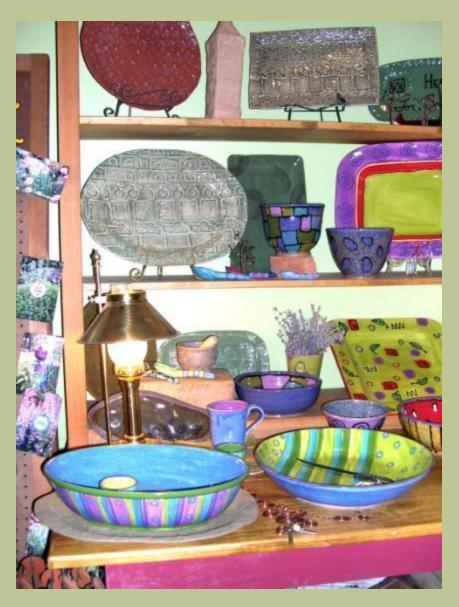


ACEnet completed renovation and took possession of property in 2006 (6 current tenants=135 jobs)

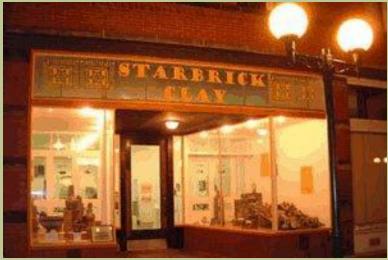
#### **Nelsonville Business Incubator**

Currently \$2.4m investment – new funding pending for renovation

#### Nelsonville: Arts Destination







# Incubator Questions

Who will operate the incubator and provide the services?

Between the lines...

Rent collection? Touring? Business counseling? Custodial? Complaints? Media?

# Incubator Questions

What services will you provide and who will provide them?

Between the lines...

Get very clear on expectations for you and the clients on this point.





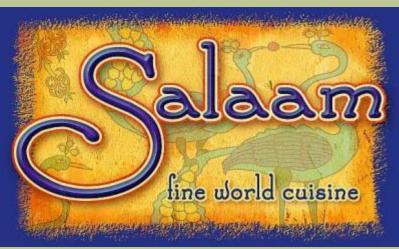














## Market Partners Buy Local

## Strengthened with Branding





## Athens Kroger Entry Display

Carries over 90 local food lines, gift baskets at holidays







## Networking & Planning

To expand economic impact great & small: policy councils, non-profit collaborations













## **EBT** -- Farmers Markets

Healthy food access and extra dollars in the farmers' pockets

# Incubator Questions

Is this incubator model sustainable or can be in the very near future?

Between the lines...

Who loves to write grants???????

Get an anchor tenant or tenants if possible.

Take the advice you give to your businesses.

# Incubator Questions

Who are your competitors and partners?

Between the lines...

Understand your competitors both for profit, public, and nonprofit.

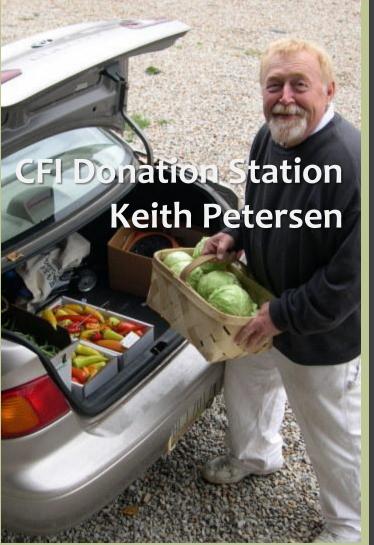
Why recreate the wheel if you can partner.



## Athens Farmers Market

Creates community cohesion & pride---all incomes shop at the market





### **Social Entrepreneurs**

Amplify the economic impact – Community Food Initiatives



### **Chesterhill Produce Auction**

Outlet for over 40 farmers, generated more market partners for local food



### **Chesterhill Market Partner**

Ohio University chef buying local for Baker University Center & dining halls





Industries

People

Lifestyle

Bloc

Facts & Figures

Buildings & Sites

Move to Athens

### **Featured Industries**

COur specialty food incubator has created or expanded 200 small businesses with annual sales totaling \$25 million.

Angie Cantrell, President and CEO Appalachian Center for Economic Networks (ACEnet)



### Specialty Foods

### We Love Local

Those of us who already live here believe Athens County is a Garden of Eden, capable of supplying any tasty treat we desire. We even market regionally based on this principle via the Food We Love campaign.

But we know not everyone can make it to our year-round, rated top ten in the nation.

Athens Farmers Market, so we're working to bring our specialty foods and agriculture to the outside world.

### Related Business Remixed Blog Posts



My children really can't comprehend that in the late 80s and early 90s

Ohio University students—journalism majors like myself included—did

not... Read More

### **Athens Economic Development Council**

Features Local Food Entrepreneurs --- targeted sector in Athens County

# **ACEnet Strategies**

- 1. Training & technical assistance
- 2. Business facilities & infrastructure development
- Access to capital services, partnerships & referrals
- 4. Capacity building through product innovation, branding & adoption of technology

# Appalachia Ohio Key Ingredients

- 1. Food & Farm Entrepreneurs
- 2. Infrastructure: farmland, processing facilities, public & farmers markets, produce auctions, produce terminals, distribution hubs, copackers
- 3. Local & Independent Retail: market partners, value chains
- 4. Engaged Consumers: locavore movement
- 5. Civic Investment/Community Pride
- 6. Leaders & Champions: elected officials, policy councils
- 7. Policy Commitment & Change: regulatory and development strategies at appropriate scale
- 8. Network Weaving & Collaboration







Want to hear more? Or come visit? Call ACEnet 740-592-3854