Coal Reliant Communities Innovation Challenge

The Appalachian Center for Economic Networks (ACEnet)

Presenter: Leslie Schaller

acenetworks.org

ACEnet

GROWING OUR REGIONAL ECONOMY

BUILDING networks
SUPPORTING innovation
FACILITATING collaboration
with Appalachian Ohio's businesses
to create a STRONG
SUSTAINABLE REGIONAL ECONOMY.

ACEnet's Mission

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.

ACEnet Overview

Appalachian Center for Economic Networks ---- community-based, economic development organization --- (ACEnet , Inc.)

Started in 1985 as the Worker-owned Network became regionally focused in 1990. Utilize microenterprise and small business strategies, incubation, access to markets programs and regional brands.

Sectors Evolve from Place-based Assets

Innovating sectors

Where We Work
Forests and Waters

Where We Work

Small towns

Where We Work

Farmland

Where We Work

Diversified agriculture

wealthworks

Goal: Advance a region's prosperity by building wealth that sticks

WealthWorks is a bridge between community development (voice, empowerment, organizing) and economic development (attraction, retention, entrepreneurship).

Wealth Building Defined

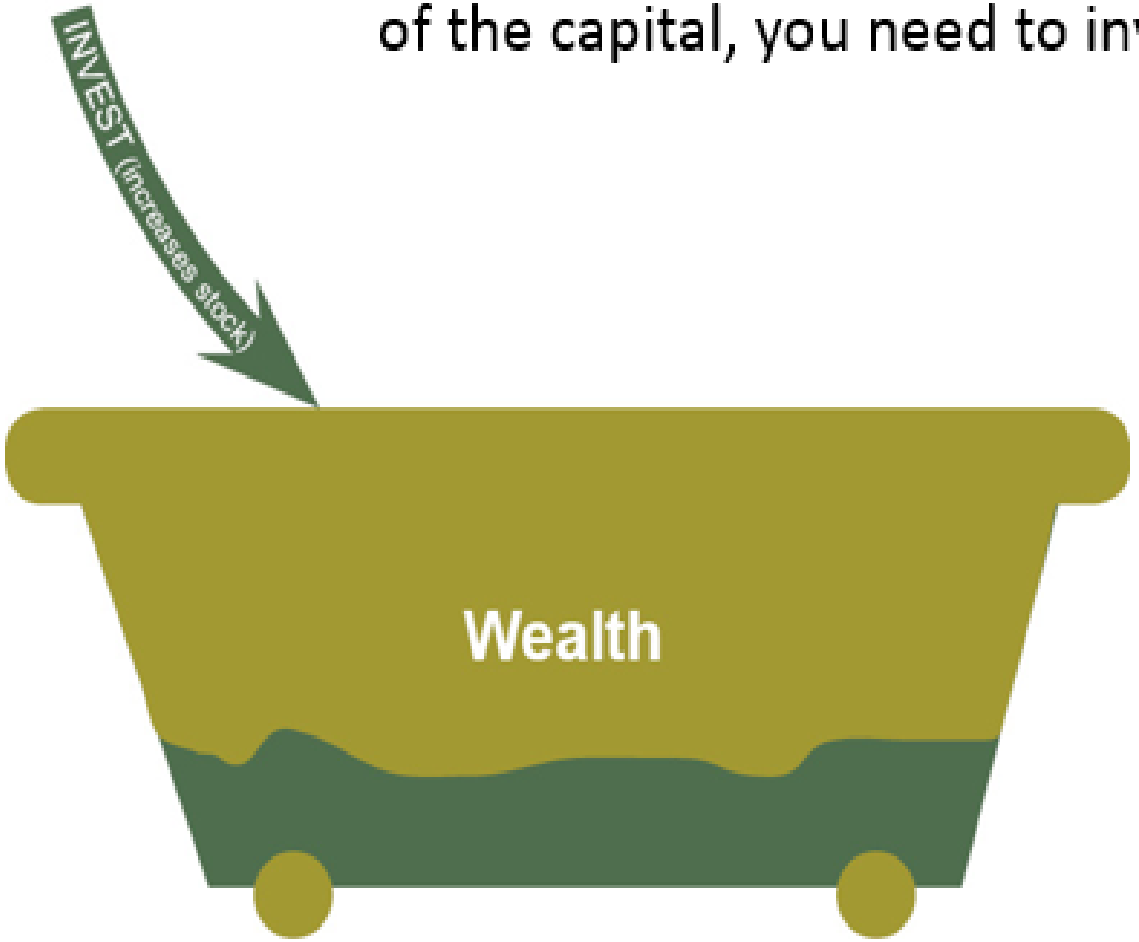
One new approach—WealthWorks—focuses on building lasting wealth for regions. But wealth means much more than money. Building lasting wealth means growing multiple capitals—a strong sense of community, good infrastructure, a well-trained workforce, unspoiled natural beauty, and inclusive and open government.

WealthWorks focuses on three outcomes in doing economic development differently. The first is investing in and expanding eight capitals: social, political, cultural, built, intellectual, individual, financial, and natural assets. Practitioners strive to build the stocks of many capitals while doing harm to none.

Building Your Stock of Wealth

Turning on the tap = Investment

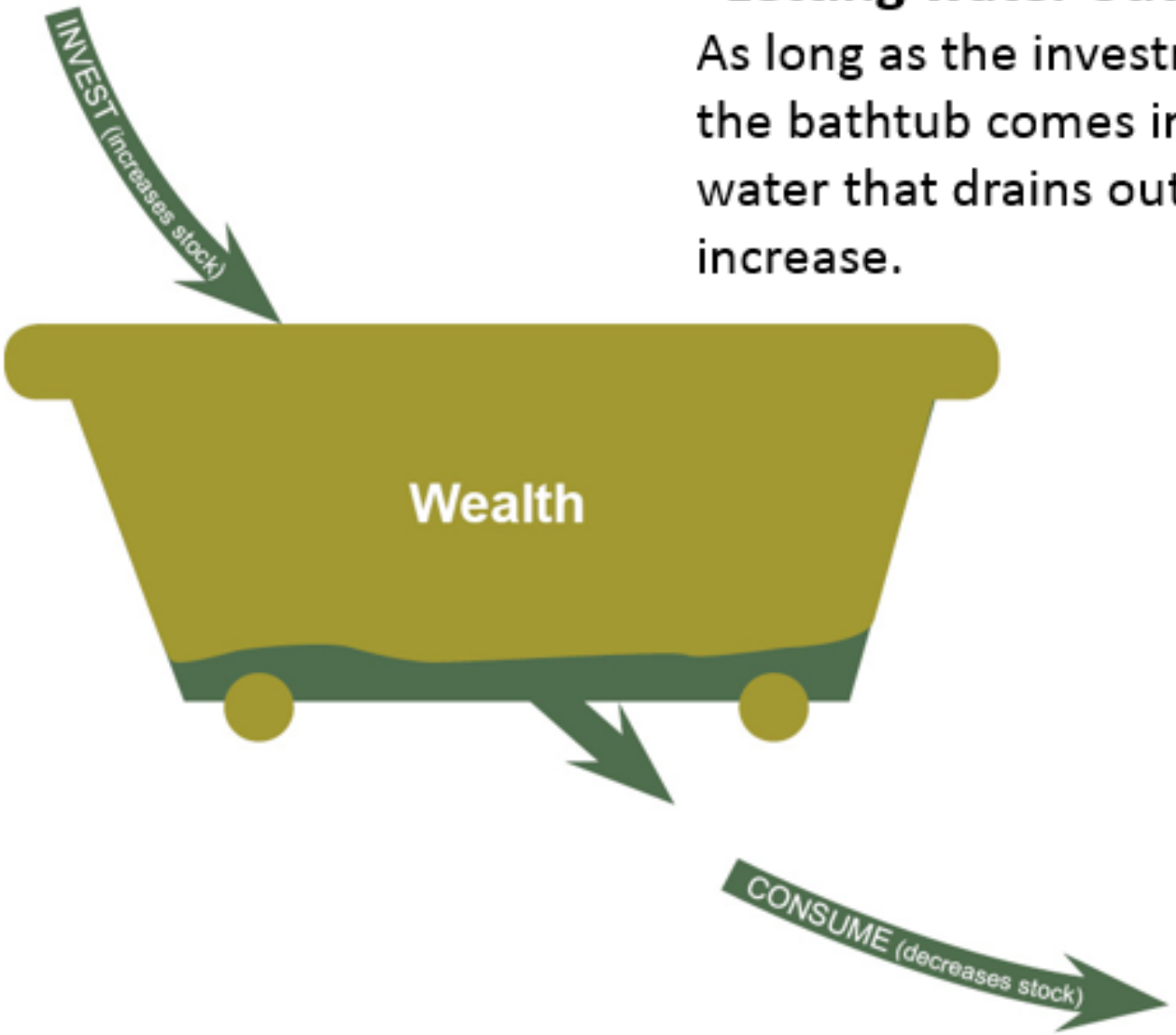
To maintain or increase the quantity and quality of the capital, you need to invest.



Building Your Stock of Wealth

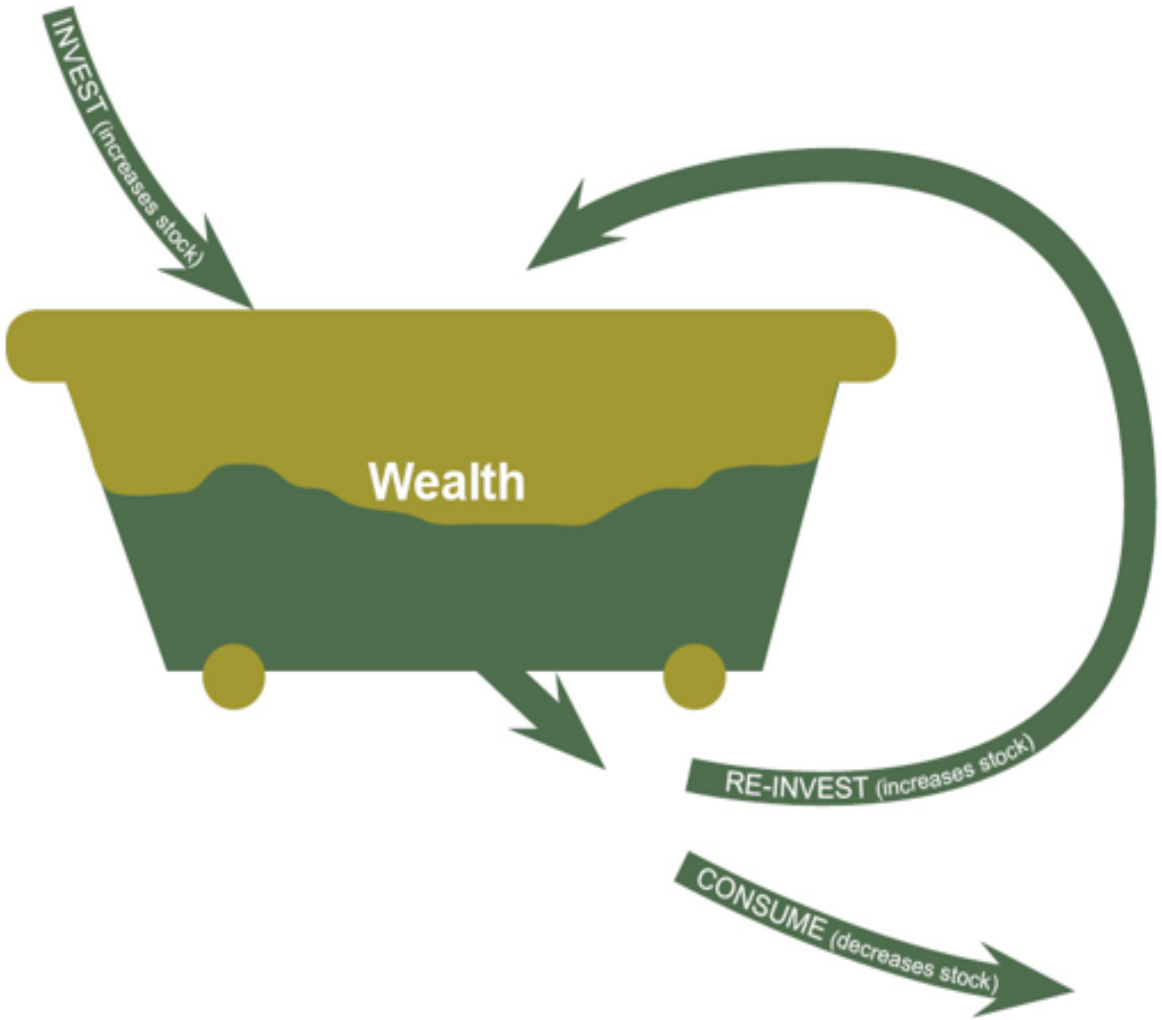
Letting water out = consumption

As long as the investment coming into the bathtub comes in faster than the water that drains out, the stock will increase.



Building Your Stock of Wealth

Reinvestment is key to maintenance



Aspire to *Do No Harm*

You don't build your stock of wealth by draining one form at the expense of another.

WealthWorks practitioners also consider how the assets their efforts generate are owned. Who has the capital? Who benefits from its use? Strategic ownership and control mechanisms spread the capital widely and root it locally.

Finally, doing economic development differently requires attention to those people, places and businesses that need it the most. WealthWorks means improving the wellbeing of residents, but particularly those at the economic margins.

Emphasizing investment for long-term gain

- Much of traditional development focuses on short-term consumption: how much money people have to buy things today

- A focus exclusively on consumption cannot build a sustainable system

- Continual reinvestment in assets is necessary to produce tomorrow's income

So how do you begin to build this lasting wealth? The challenge for you as an economic and community development practitioner is to identify a market opportunity that is right for your region.

Our Places

Farmers Markets

Our Places

Manufacturing & processing

Our Places

Farmstead production

Our Places

Renewable energy

Our Places

Arts, Recreation & Tourism

Our Places

Heritage, Recreation & Tourism

WealthWorks starting point for value chain design

1. Focus on place
2. Incentivize collaboration
3. Create multiple forms of wealth
4. Emphasize local ownership

What's a market opportunity? A market opportunity is documented demand for a set of products or services that—with the right set of investments and connections—your region could produce and that has good potential to generate wealth-building results.

Comprehensive Value Chain Mapping

Our initial strengths were in production, direct marketing and some restaurant wholesale markets. Limited infrastructure existed except by some innovative organic farmers for pack houses. Limited cooperative purchasing supported growth in local food access.

Starting out in the 1990's with our food sector development

Capital foundations

- **Natural capital:** family farms, diversified agriculture, high concentration of certified organic production in the state
- **Individual capital**: innovative food & farm entrepreneurs
- **Intellectual capital**: community college culinary arts school, emerging coop extension leadership
- **Social capital**: expanding Athens Farmers Market, sustainable development organizations focused on cooperation and network weaving
- **Cultural capital**: Appalachian traditions & foodways

Comprehensive Value Chain Mapping

Identifying the Gaps

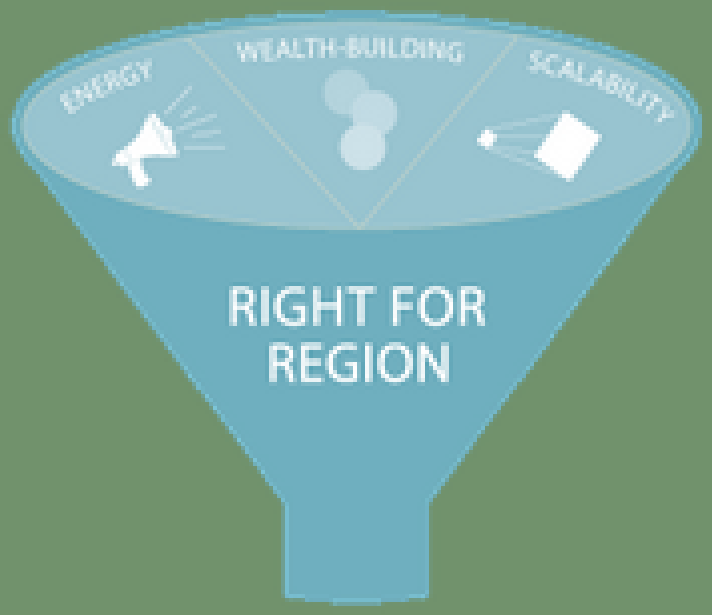
- Lack of **Political capital:** elected officials, economic development professionals and agencies did not see agriculture as important, food sector viewed as low-paid retail jobs.
- Extremely limited **Built capital** for aggregation, processing and distribution of fresh produce, meat, dairy or locally produced and processed foods
- Food and farm entrepreneurs unable to access **Financial capital** for start-ups or expansions

Building on shared values:

Focus on place

Traditional supply chains are based on a *commodity* view of products, where one bushel of corn is the same as the next, and the primary thing that matters is *price*. Value chains introduce *shared values* into this context – like the value of a healthy environment, safe food for ourselves and our children, the ability of family farms to stay alive.

In a value chain, people are not just buying some commodity product, some "thing."



To narrow your selection further, consider which market opportunities are best suited for your region—meaning they will harness the most local energy, solid wealth-building potential, and capacity to scale into bigger and better results.

Individual Capital

✓ Value chain assessment practices acknowledges individual's & families entrepreneurial assets & place based opportunities

✓Personal financial planning, micro-lending & CreditAbility workshops & services

Young family farmers take advantage of new value chain opportunities

Passing the local food economy wisdom to the next generation

Intellectual Capital

✓ Increase in number of entrepreneurs participating in training, workshops, conferences & technical assistance
✓ Formation of peer leaning networks & entrepreneurs acting as co-trainers

Sector specific training, technical assistance & workshops

Sector specific training, technical assistance & workshops

Visitors come from all over to learn about our local food economy

Social Capital

✓ Food retail locations become hubs for networking & peer learning
✓ Increase in entrepreneurship marketing partnerships
✓ Increase communications between buyers & sellers along the local food value chain
✓ Regular celebratory gathering, food festivals, brand programs

Creating environments for peer learning

Regional Brands

10TH ANNIVERSARY
OHIO BREW WEEK 2015
JULY 10-18 ATHENS, OHIO

Value chain partners support individuals in need in the community

Natural Capital

- ✓ Increase in acreage for sustainable agriculture & organic certification, local grains, pastured meat production
- ✓ Increase in GAP training
- ✓ Increase in beginning farmers
- ✓ Increase in farmland preservation

Viewscapes, watersheds & ruralness

Shade Winery: Significant expansion of production acreage, retail operation & production equipment

Financial Capital

- ✓ Increase partnerships and products for micro and small business loans
- ✓ Strategies for "Slow Money" to create equity & community capital
- ✓ Increase private investment by farm & food entrepreneurs
- ✓ Collaborative (non-profit) facilities for entry & profitability)

Investing in our downtowns

Private Investment

Eclipse Company Store: old becomes new again

Built Capital

✓ Expansion of season extension, packing, retail & storage by farm operators
✓ Accelerated number of start-up & expansion: restaurants, retail, processing, distribution
✓ Collaborative facilities raise capital for expansion: CPA, ACEnet FVC and Nelsonville Food Hub
✓ Entrepreneurs incorporate sustainable & renewable energy into expansion design & implementation

Jackie O's

WORKER · OWNED
CASA CANTINA
CASA NUEVA
ENTRANCE
6

Preservation & Reinvestment

Cross Sector Value Chains

Political Capital

- ✓ Evolving role of Athens Food Policy Council, Farm to Table Buyers & Seller group, Food Partners collaborative
- ✓ Increased elected officials and agency staff support for public investment
- ✓ Entrepreneurs run and some elected to public office
- ✓ Traditional media channels & social media explosion tells the story
- ✓Increase recognition through publications & journals

Food Entrepreneurs run for elected office

State & local elected officials support local food & farm entrepreneurs

Cultural Capital

- ✓ Preserving our foodways & eating traditions
- ✓ Celebrating our heritage in festivals & cultural events
- ✓ Creating an inclusive culture for rural communities
- ✓ Communicating the importance of rural places

Promoting Cultural Capital

Regional Brands

30 MILE MEAL
ATHENS OH

It's Ohio's newest way to experience local foods! Sign up for the newsletter, read the blog, use the interactive map and start planning your next food adventure!

30MileMeal.com

REAL FOOD · REAL LOCAL · REAL GOOD

Country FRESH STOPS

Food We Love

Buy local food first

from the Ohio Hills

Ohio Pawpaw Fest

Embracing our unique foodways as an economic driver

Capturing and celebrating the knowledge to share through traditional & social media

The next step is to connect the capitals you've identified to the market opportunities you want to pursue first. A WealthWorks value chain helps you make that connection.

In WealthWorks, investment includes any use of a capital for wealth-building results. Applying an underutilized resource to fill a gap in the value chain is a wealth-building investment.

Every partner in a WealthWorks value chain is an investor, expecting to receive something for their effort. The benefits may be direct—"What's in it for me?"—or broader—"What's in it for the region?"

Intentional Inclusivity:

All the value chain partners are brought to the table for co-design of the supply chain. Support partners: media, educators, certifiers, bankers, and many more participate in process.

30 Year Focus on Food Sector

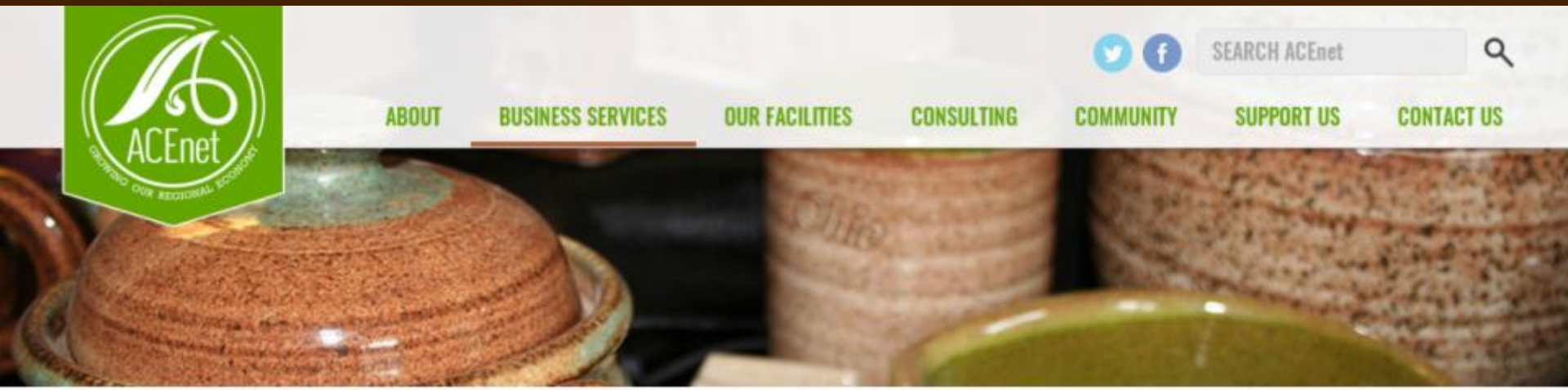
1. Business incubation & food enterprise infrastructure
2. Access to markets, regional brands & value chains
3. Access to capital services, partnerships & referrals
4. Food sector training, assistance and replication services
5. Entrepreneurship and workforce development

What is the recipe for local food to create an economic transition and sustainable rural livelihoods?

Reinventing Our Local Food Economies to Create Opportunities for All

Sector Focus: *Measuring the Impact of Economic Networks & Local Food Value Chains*

Micro-business Development
ACEnet Program Documents



ACENET > BUSINESS SERVICES > NEW CLIENTS

NEW CLIENTS

If you are looking to start up or expand your regional business, ACEnet can offer resources and support. ACEnet assists with business planning, marketing, financial management, incubator space, and manages a shared-use kitchen, the Food Ventures Center. Potential clients, new to running a business, should complete the Basis of a Successful Start (BOSS) class offered by the Voinovich School and Small Business Development Center (SBDC) to gain an understanding of the building blocks of business ownership. The course is available online.

For more information, please visit this page.

All potential clients are required to complete an Intake Form. The form provides information which helps our staff gain a sense of your business experience, and which assistance areas your business will likely utilize. If you require assistance which better fits the services offered by one of our partner organizations, we will refer you to the appropriate resources. Once the intake form is complete, you can schedule an intake meeting with our staff to discuss resources and opportunities that meet your needs. The intake process, including the initial intake meeting, has a fee of $45.00.

FACEBOOK FEED

Some things for new entrepreneurs to avoid..

Just because mistakes are inevitable, it doesn't mean you have to make the same ones everyone else does.

entrepreneur.com

ACEnet Food Ventures Center

Shared-use Central Kitchen

Central Preparation Kitchen

Central Kitchen accommodates diversity of tenants

Fresh Cut Produce

Fresh Cut Produce

Jackie O's preparation of produce for brewery & menu

EXIT
FLEET BY
NETJETS
MARQ

Commercial Food Production

Wholesale Bakery Production

Crumbs
BAKERY
Handmade with organic grains
RYE
Multigrain Crackers

Dry Packaging

TED STATES
SERVICE
Ziploc
Kordite

Crumbs
TOFU PASTA
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Recipe testing and product development

BLODGETT

Youth Entrepreneurs

Foodservice Preparation

Restaurants use for food prep

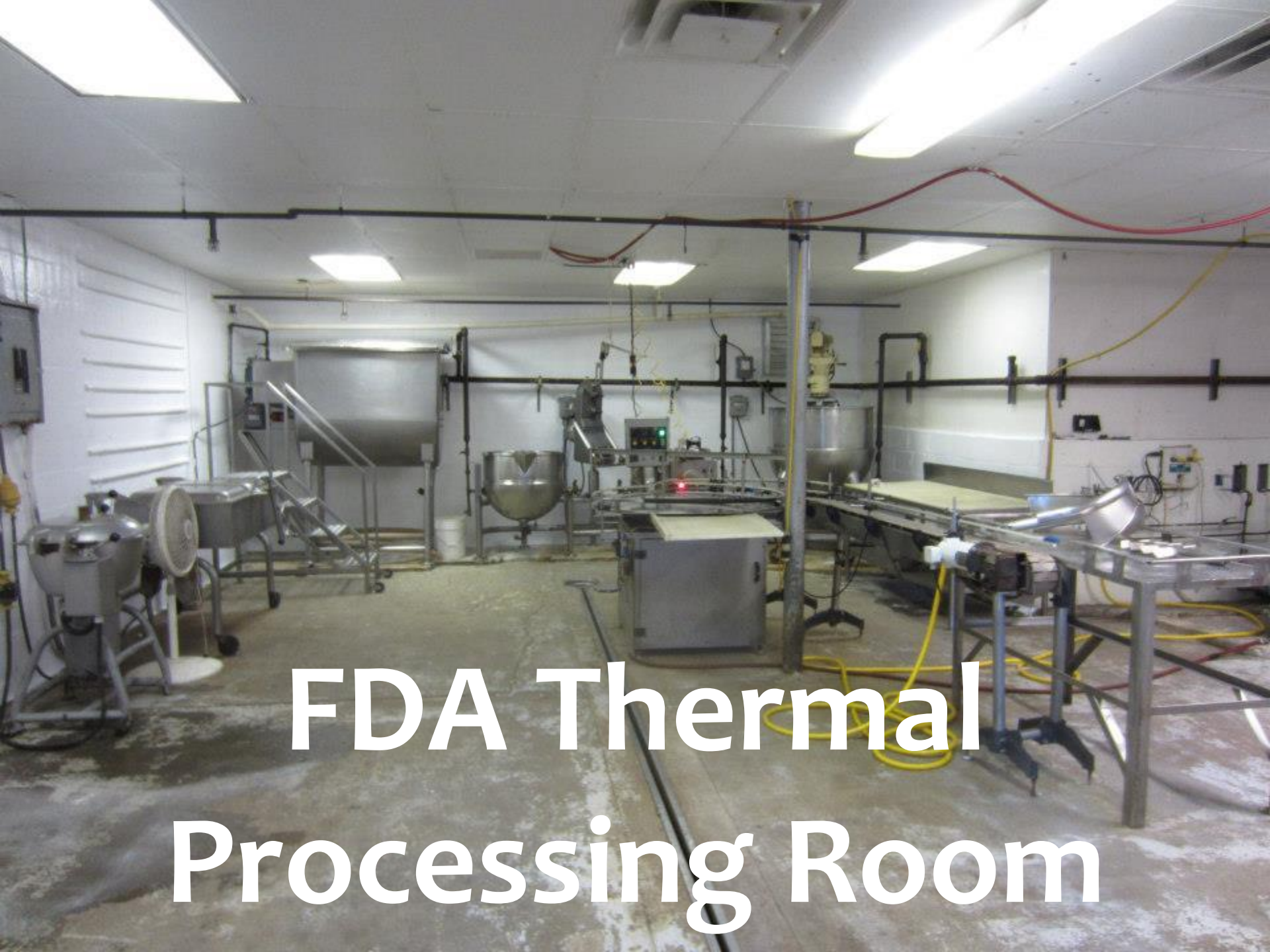
Allowing for foodservice expansion

Catering Enterprises

Food Truck Enterprises

Local Food Workshops

Thermal Processing for Shelf Life


FDA Thermal
Processing Room

FDA Processing

Specialty Bottled Products

Foodservice products

Frozen Foods

Products marketed from local to international exporting

Over 60 users annually: Big & Small

Training the Start-ups

ULTRA SHIP
PICKLED

PICKLED
GINGER
GINGER

Green Edge Organic Gardens
PICKLED
GINGER
Net Wt 8.4 oz (238 g)
Green Edge Organic Gardens
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Green Edge Organic Gardens
PICKLED
GINGER
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2 Headed Piston Filler

Increase production efficiency

Now we're rolling!

Happy Tenants Increasing Capacity

GLASS
THIS SIDE UP
HANDLE WITH CARE
12 OZ
6
12 OZ
6
12 OZ
6

ON
OFF

Partnerships with Hocking College

Refrigerated & Frozen Storage

Accomodating Farmers

CASA

Shipping & Delivery

Shipping & Delivery

Cross Docking

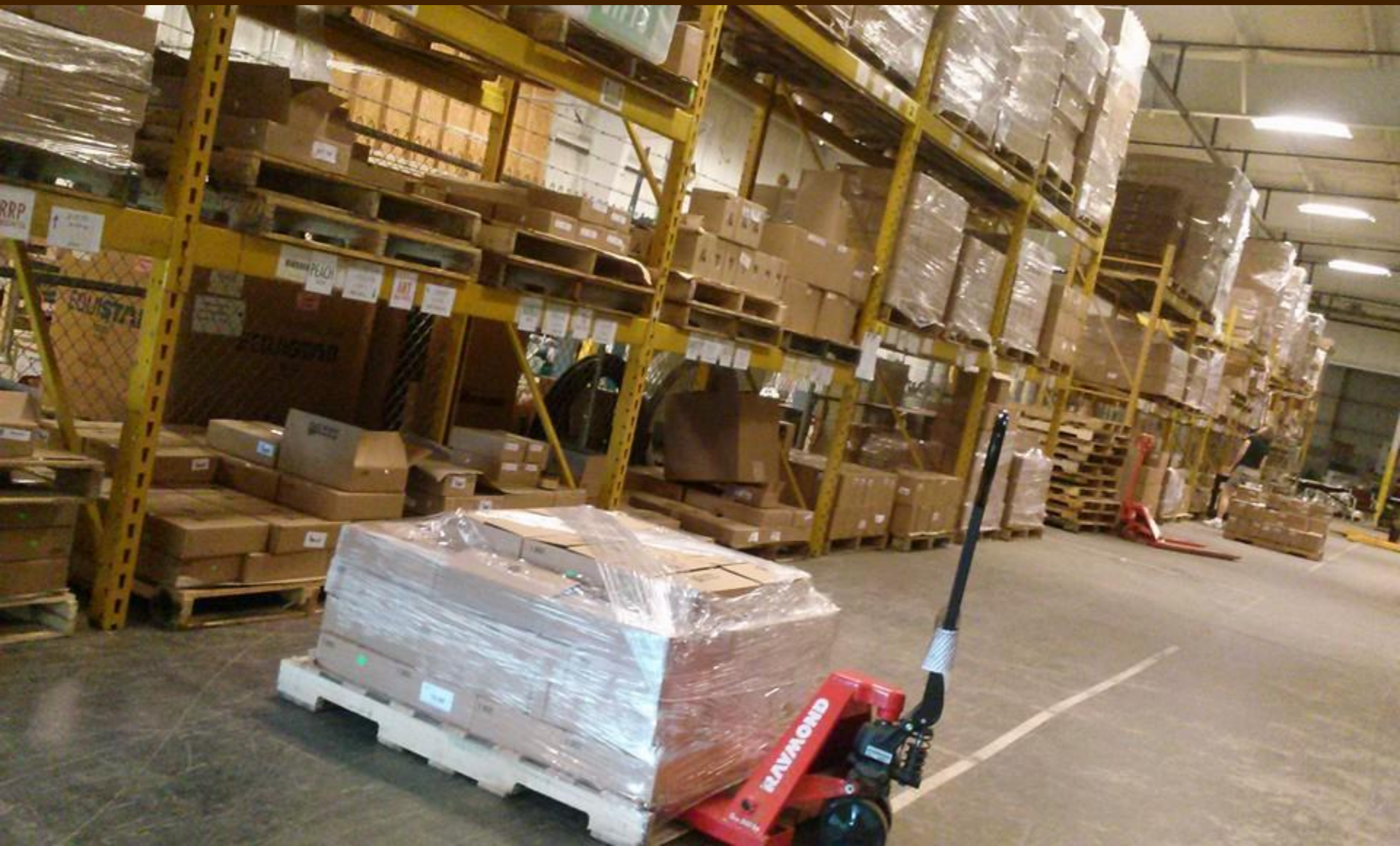
Regional Distribution

Distribution Infrastructure

Nelsonville Food Hub

Packaging & Labeling

Expanded Warehousing



Distribution Infrastructure

Entrepreneurs empowered to lead and shift the food economy

So, next time you visit us,
KISER'S PROUDLY SUPPORTS THESE LOCAL PARTNERS
SNOWVILLE CREAMERY
30 MILE MEAL
The Berry Vest
VEST BERRIES
Cowdery Farms
Long Bottom, Ohio
The Herbal Sage
TEA COMPANY
SHAGBARK SEED & MILL CO.
Cantrell HONEY
Starline Organics
STEVE & CONNIE PATTERSON
INTEGRATION ACRES
ALBANY OHIO
KING FAMILY Farm
The Compost Exchange
Compost, Mulches & Specialty Soils
DEXTER RUN FARMS

Larger Market Partners

Rural to Urban Partnerships in Urban Markets

Farm to School Opportunities

Farm to Institution to School

a sustainable new partnership by Rural Action bringing fresh produce from local farmers to Hocking College for preparation by students, then to local schools for service in the cafeteria!

Rural Action
Working Together to Revitalize Appalachian Ohio

The final step is to gauge your wealth-building impact (more on that to come), and then cycle back to see how your efforts have changed your initial assessment of capitals and opened new market opportunities.

Significant measurable outcomes:

- ✓Local ownership & rural livelihoods
- ✓Private and public investment
- ✓Community cohesion & resilience
- ✓Health impacts & social inclusion
- ✓ Appreciation of place, agriculture & foodways

Redefining Progress

Slow Money Principle IV

> *"We must learn to invest as if food, farms and fertility mattered. We must connect investors to the places where they live, creating vital relationships and new sources of capital for small food enterprises."*

Woody Tasch

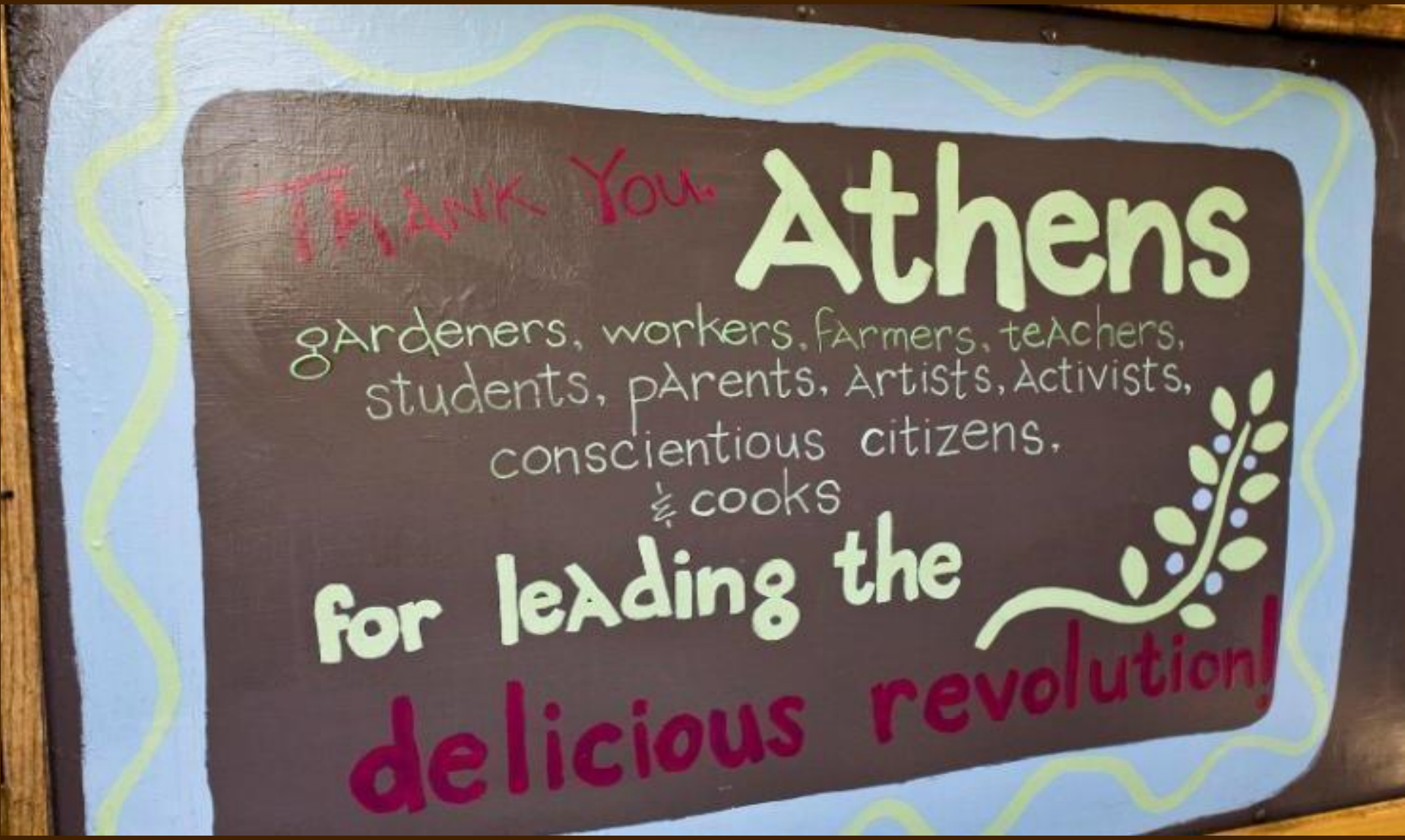
A focus on entrepreneurs
creates sustainable livelihoods
& economic resiliency

Finding Voice for New Solutions

Creating sustainable livelihoods:

The nature of a value chain contributes to sustainable livelihoods. When independent producers, buyers, and other players come together based on common values, their shared interests form the basis for positive reciprocal relationships. The urban supplier meets customers demand, and small scale producers increase their income and their skills in bringing product to market.

Collaboration + Support = Expanding Food Economy



Flipping Perceptions

Identifying your community capital

Individual Capital

Individual Capital

Intellectual Capital

Intellectual Capital

Intellectual Capital

Social Capital

Social Capital

Social Capital

Natural Capital

Natural Capital

Natural Capital

Natural Capital

Built Capital

Built Capital

Built Capital

Built Capital

U.S. Small Business Administration • West Virginia

Financial Capital

SBA Resource Partners: Making the Network Work for You

Financial Capital

Financial Capital

Political Capital

Political Capital

Political Capital

Political Capital

Cultural Capital

Cultural Capital

Cultural Capital