Introduction

*Note: References to “value-added food businesses, farm operations, farm and food enterprises, and food-related businesses” are used interchangeably throughout this document all refer any farm or food-related business.*

This summer, I worked as a fellow for the Market Development Action Team (MDAT) of the New Hampshire Food Alliance. The Food Alliance aims to support the growing local economy of food, farm, and fish markets in New Hampshire. The organization is comprised of networks of driven individuals with diverse expertise in areas of education, finance, farm production, farm and food retail, and processing. In recent years, the Food Alliance implemented its Viability Initiative developed from years of conversations shared among state residents and other valuable stakeholders. This framework outlines challenges within the food system, strategies for tackling those challenges through collaborative efforts, and goals to support local enterprises, consumers, and the local food economy. The Viability Initiative framework is comprised four components that reflect areas to support food, farm, and fish enterprises: Education, Food Accessibility, Market Development, and Land and Sea Resources. My work focuses on the tasks of the Market Development Action Team which serves to connect farm, food, fish producers to Service Providers, and seek funding streams to support technical and business assistance for local food businesses.

The primary objectives were to address the following approaches outlined in the Viability Working Group Action Plan:

- Approach 1 is focuses on enhancing the capacity of service providers to provide relevant assistance.
- Approach 2 focuses on supporting efforts by food system entrepreneurs in their efforts to aggregate, store and distribute products.

From these approaches, the following project goals were established:

- Work with the Marketing Development Action Team to identify service providers along the spectrum of a business and identify where existing gaps may exist and where and how those gaps may be filled.
- Collect and synthesize primary and secondary research on sustainable funding mechanisms for technical and financial assistance.

To meet these goals, I continued the work of MDAT in developing a spreadsheet, referred to a Matrix, that list service providers in the state and region that offer various services to businesses at different stages of growth. I met the second approach by gathering best practices of regional
and state stakeholders to understand organizational structures and funding mechanisms that support business and technical assistance programs for food and farm enterprises.

**Matrix**

The Matrix is a spreadsheet that categorizes entities, referred to as service providers, in the region, but mostly in-state, that provide services to businesses at various levels of growth. MDAT developed this model to identify business and technical assistance resources for growing businesses and identify gaps within the service provider network that can be filled. Business and technical assistance can range depending on the needs of a farm or food business. Service providers have various expertise that help these businesses grow. The Matrix list entities that provides services to various types of food businesses. This is an aggregated format that can be divided further to meet the specific services of these different business types.

**Elements of Matrix**

**Services Available**

It is known that it takes a variety of supportive services and expertise to make a business successful. Farm and food enterprises are no stranger to this idea, but also require specialized services to grow and maintain success. MDAT identified 20 services that support farm and food businesses. This is not an exhaustive list of services but a snapshot of services that are relevant in the state. The following services listed include:

- Business Planning
- Human Resources Employee Engagement
- Human Resource Laws & Regulation
- Legal
- Marketing and Market Research
- Regulations, Permitting, Environmental and Water Quality Compliance
- Food Processing Authorities
- Production Technical Assistance
- Financial Literacy
- Food & Agriculture research
- Food Science - safety and testing
- Food Production Processing
- Capital Access
- Land Access
- Alternative Energy Audits
- Tax Planning & Preparation
- Quickbooks Training
- Operation Efficiency - LEAN
- Food Safety Modernization Act (FSMA) Compliance
- Recipe Development
These services represent the needs of businesses all over New Hampshire. Direct marketing accounts for 12% of food sales in New Hampshire, higher than the surrounding states in the region. According to a recent study, “the local food system in New Hampshire contributed $3.3 billion in Gross State Product (GSP), or 5.7% of NH’s $58 billion economy.” (Locally Grown) This data tells us that local food businesses significantly contribute to the local and regional economy. Local businesses by connecting local businesses with service providers that offer business and/or technical assistance is crucial to meeting the expectations of the economy.

Types of Engagement

To better evaluate the services provided by providers, a indicator chart was created to categorize the Types of Engagement with a provider a business might expect. The Types of Engagement is important because it informs users of the different ways in which that can receive information and services.

The four categories for engagement are as follows:
- **Direct (D)** - Consultation services, direct contact, primarily one-on-one interaction
- **Facilitated content (F)** - Workshops, group trainings
- **Indirect (I)** - Weblinks, third-party resources
- **Original content (O)** - Information originally produced content by entity for viewers/clients (pdf, presentations, webpages, directory, etc.)

This information is valuable to users of the matrix because it allows them to determine the types of interaction with a service provider based on their specific needs. Based on anecdotal information from action team members and local business owners, the majority of local products are produced from small to mid-size businesses, ranging from local family-owned, generational operations, to regional operations with growing distributions in the Northeast. Because businesses are ranging in growth, their needs may differ. The Types of Engagement chart can be used as a tool to filter which service provider best fits the needs of a business.

Stages of a Business

The “Stages of a Business” section of the matrix indicates where service providers best meet the needs of local food businesses at specific stages of growth. This information is important because as a business grows, the needs to sustain aspects of a business change over time. Food businesses can use this information to find a service provider that offers services for their stage of growth. The Stage of Business considered in the Matrix are as follows:

- **Exploratory** - This is the beginning or conceptual stage where the business is nonexistent and planning is taking place. A business plan may be established and funding streams are being identified and pursued.
- **Start-up** - At this stage, the business is established, a customer base is generated, and capital may still be gathered. This stage may take years for a business as it reaches marketplace stability.
• **Growth and Diversity** - A business has reached a place of increased customer base and sales at this stage of business, and has also increased in employees and equipment needed to meet production or service demands. To successfully grow at this point, a business may need to revisit the organizational structure and develop long-term strategies for capital access, human resources, and expansion.

• **Maturity** - At this stage, a business has financial sustainability, a repeat customer base, and strong brand identity and recognition. A common challenge for business at this stage is maintaining success in a rapidly changing market or adapting to external frameworks such as regulations or changes in access to materials. Developing strategies for addressing new problems, quality assurance, and leadership may be needed to maintain market success.

• **Revitalize/Retooling** - Revitalization can help a business incorporate new ideas in light of external or internal factors that affect growth. Retooling and/or revitalization can help a business adapt to changing trends and new challenges in an industry.

• **Successful Exit** - Planning for a successful exit or closing of a business is just as important as starting one. Whether it is a merger of a company or closing operations altogether, it is critical to ensure human resources, capital, brands, and legal obligations are finalized properly.

**Questionnaire and Contact Sheet**

After researching and gathering information on the myriad of service providers in the state and region, it was important to confirm with these entities the services they provided as well as the stages of business they typically work with. To ensure the services of service providers are accurately categorized, a questionnaire was developed to gather additional information and fill in gaps within the Matrix. The questionnaire asked providers the following questions:

- What level of client/customer engagement that best describes your business?
  - Asked to check all that apply from Types of Engagement chart

- At what stages of a client’s business do you primarily offer services?
  - Asked to check all that apply from Stages of Business list

- Please choose the areas in which your business provides services:
  - Asked to check all that apply from Services Available list

- What is the name of your business and what is the best way for a new client to contact you to inquire about services?
  - Asked for contact information for reference

- Would you like to include a brief description of your services for our directory? If so, please include it below.
  - Asked to provide a summary for reference

Of the 60 questionnaire responses sent out, 28 participants responded resulting in a 46% response rate. The information gathered from the questionnaire is incorporated into the Matrix which now depicts a more accurate representation of the service provider network.
**Best Practices**

The second aspect of this project is to collect and synthesize primary and secondary research on sustainable funding mechanisms for technical and financial assistance. To achieve this, best practices and information was sourced from stakeholders in the region who have had success in providing business and technical assistance to food and farm businesses. This information will be useful to understanding the financial and programmatic challenges and successes of organizations with similar intentions of the Food Alliance.

**Method**

To connect with stakeholders in the region, a Food Alliance program mentor facilitated the introduction with individuals in Vermont and Maine. From these connections, more stakeholders were introduced from Massachusetts and later New York. An additional source was added from an organization in Wisconsin.

Participating stakeholders were interviewed and asked similar questions with some variation specific to their work and organization. The following is a sample some of the common questions asked among participants:

- What funding mechanisms are used to support the various programs?
- What are the major challenges to providing services to participants? What are the major successes or strengths to providing services?
- What is the cost to the business for the services?
- What is your cost to provide the services?
- Does the organization provide support throughout the stages of a business?
- What has been the recent trend in services or knowledge businesses are requesting?
- If possible, would you be willing to share your operating budget?

These questions represent a standard of questions asked during the interviews with 7-10 additional questions asked specific to the organization. Interview transcripts are attached at the end of the document.
Profiles

Profiles were developed to present the information from the interviews in a simplistic manner. The Profiles includes information on organizational structure, funding mechanisms, services, and successes and challenges. Here is an example:

Profiles were developed for participating interviewees. Omitted from the Profiles are New York and Maine, who were unable to be interviewed during this project.

Analysis

Possibilities of Matrix

The Matrix started as a light list of service providers known among a small group of individuals. But through research and soliciting information from various community partners through the questionnaire, the Matrix has developed into a thorough document that is the result of collaborative efforts. This approach reflects the culture of the New Hampshire food system where information is most effectively communicated through networks within communities. Once the Matrix is integrated into a user-friendly platform, a possible way to disseminate this tool can be at community events such as farmers’ markets, food industry organizations, and through individual networking channels.

The matrix is currently designed to be integrated into a variety of platforms. More research will have to done to find the most effective avenue to reach the intended audience of food and farm business owners. This can develop into a tool that maps resources and support in the state for food industries. The matrix can continue to grow and diversify into more specialized sub-sectors.
such mapping service providers for food distribution, which is an issue for small to mid size farms and businesses. All in all, this matrix offers access to information that can change the trajectory of a business.

**Possibilities of Profiles**

These Profiles can be used as an inventory of programs in the region that highlight various components that influence access to funding mechanisms. These stakeholders represent government, non-government, and an extension-supported organization, which raise funding from a variety of sources. These Profiles can serve as a template for organizational structure and funding stream possibilities.

**Personal Reflections**

Working with MDAT was an incredible example of how like-minded individuals who play an integral role in their communities can come together to collaborate, share ideas, and create impactful change that benefit the larger community. They made me feel a part of that team and extended their time and resources to help me in my work. In hindsight, I should have utilized this network for more help along my project, and now I have learned to always ask even when you feel confident.

I learned so much about how critical support for local food and farm businesses can be to growth and economic development opportunities. From the interviews with regional stakeholders, some common themes reflected were state legislative support and financial support from invested foundations and other funders. Tools like the Matrix and Profiles can be used to galvanize support from potential donors that believe in the economic power of the local food system.

**Conclusion**

A goal of this project was to identify service providers along the spectrum of a business and identify where existing gaps may exist and where and how those gaps may be filled. To meet this goal the Matrix created by MDAT was expanded to represent a wider range of service providers in the state and region. Gaps were identified and filled through a questionnaire that solicited information from service providers to increase accuracy of the Matrix. The last goal was to collect and synthesize primary and secondary research on sustainable funding mechanisms for technical and financial assistance. The goal was met by interviewing stakeholders in the region to gather information on organizational structure and funding mechanisms. The results of the interviews were then synthesized in simple Profiles that highlight structure, funding mechanisms, services, and success and challenges. These tools can be used to expand resource opportunities for local farmers and food business owners and to galvanize financial support of business and technical assistance programs.
Sources:

Erica Campbell, Ellen Kahler, Ela Chapin, Mark Cannella, and Londa Nwadike, *4.4 Food System Business Planning and Technical Assistance*, FARM TO PLATE STRATEGIC PLAN.
