

Economic impact assessment and feasibility study for Local Roots

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Executive summary

This study was conducted to determine the market demand for a non-profit business support organization, which would have a goal of increasing the success rate of businesses selling food and other value-added agricultural products. This study assessed feasibility from the perspective of potential for economic impact, market opportunity, and demand for services. The study was conducted in collaboration with Local Roots Market and Café and assessed past activities of Local Roots to determine the potential for economic impact. The survey data shows that Local Roots is having a positive impact on jobs and workforce development, suggesting the potential for greater impact with a structured program for business support in the future. Based upon different indicators, the market opportunity is favorable. Finally, based upon survey results, there is demand for both business incubator and business accelerator services.

Overview

Motivation for the Study

Local Roots Market & Café is a cooperatively owned business located in Wayne County, Ohio, supporting farmers and local food systems by providing a year-round, indoor farmers market in the city of Wooster.¹ Local Roots already supports entrepreneurs by offering a limited number of business incubator services, such as the provision of a commercial kitchen space and the opportunity for businesses to test new products through their market. However, Local Roots does not have a formalized program or budget to provide services to help entrepreneurs develop and market new products. Feedback collected during its recent strategic planning process suggested that the impact Local Roots is having on the economy and on job creation could be substantial, but no data existed on their aggregate economic impact across businesses. Also, more information was needed to confirm if there would be demand for a more formalized business support program.

Thus, a feasibility study was conducted to assess the following:

1. Looking across northeastern Ohio, what is the market opportunity?
2. What is the current impact Local Roots is having on job creation, business growth, and workforce development, for businesses that sell through Local Roots? Current businesses were surveyed to answer these questions. The results for this portion will be presented in the **Economic Impact Results** section.
3. Is there demand for a non-profit organization that provides business support? Which types of businesses are most likely to be interested in using these services? Which services would these businesses be most likely to use? The results for this portion will be presented in the **Feasibility Results** section.

Please note that only current Local Roots' businesses were surveyed for the feasibility study. The rationale is that current Local Roots' businesses would be potential clients for the new non-profit. However, a new non-profit would have a scope that goes beyond what Local Roots currently covers and in the future new clients that do not currently work with Local Roots may be interested in working with the non-profit to receive business support.

¹ For more information on Local Roots Market & Café, refer to their website at www.localrootswooster.com.

This report will cover the market opportunity; study methods; study results; conclusions (including gaps and further research needed). Then, based upon the results from the survey, Appendix A presents options for possible indicators for tracking future success and impact. Finally, Appendix B shows a recent assessment of Industry Clusters in Wayne County to highlight the current size and potential of the County's food manufacturing cluster.

Market Opportunity

Wayne County ranks third in the state of Ohio for total agricultural production, according to the USDA Census of Agriculture (2017). The County also is well-positioned with respect to production of milk, cattle and calves, fruit, tree nuts, berries, and ornamental woody crops.² Further, a report by The American Farmland Trust found that Wayne County had a high number of acres of "nationally significant" farmland. That means the County has a lot of high-quality agricultural lands that are suitable for long-term, intensive crop production.³

A 2013 report on Northeast Ohio assessed opportunities to provide greater support for regional innovation clusters around the ag-bioscience sector.⁴ The ag-bioscience sector includes a diversity of businesses that range from agricultural machinery and inputs into agricultural production; agricultural production; agricultural processing; and food, beverage and nutraceutical businesses.

The report stated that supporting these industry innovation clusters will help the region maintain their competitive advantage. Specifically, one mechanism by which clusters can be effective is that "Cluster participants realize co-location benefits (e.g., shared know-how, suppliers, labor market, and/or capital), even if they do not know about each other."⁵

Agribusiness and food processing are both listed as target industry clusters for Wayne County in the Northeast Ohio Four County Regional Planning and Development Organization's (NEFCO) Comprehensive Economic Development Strategy.⁶

Additionally, an assessment of Wayne County's first quarter 2020 industry clusters showed that food manufacturing is the largest cluster in the County, based upon its location quotient (a metric that shows concentrations of jobs in specific industries relative to these concentration rates across the US).⁷ While Wayne County already has a successful food processing cluster as a foundation, the County is also predicted to lose jobs over the next decade. This suggests that to ensure the resiliency of the industry and sustain or even increase the total number of jobs in the food processing industry, more support will be needed.

When assessing if there were competing entities in the region that offer similar food business incubator services, a couple were identified. The Akron Food Works offers a commercial kitchen and business

² US Department of Agriculture. (2017). [Census of Agriculture County Profile: Wayne County](#).

³ Freedgood, J., M. Hunter, J. Dempsey, A. Sorensen. (2020). *Farms Under Threat: The State of the States*. Washington, DC: American Farmland Trust.

⁴ Bush Consulting Group. (2013). *Defining Northeast Ohio Cluster Opportunities in the Ag-Bioscience Sector*. Report was for The Fund for Our Economic Future.

⁵ *Ibid.* p. 5.

⁶ NEFCO. (2018). [Comprehensive Economic Development Strategy](#).

⁷ Refer to Appendix B for the graphic on Industry Clusters in Wayne County, Ohio as of 2020 quarter 1. Reference: Chmura JobsEQ, 2020, Bowling Green State University Center for Regional Development.

training specifically for food businesses, located about 45 minutes from Wooster. Housed within the Well Community Development Corporation, the Akron Food Works does have an emphasis on the communities of Akron. The Central Kitchen in Cleveland also offers food business incubation services and is located an hour from Wooster. The Central Kitchen is a for-profit business, whereas the proposed entity in Wayne County would be a non-profit organization. Based upon the current demand for Local Roots' commercial kitchen, and the results of this feasibility study, it is likely that there is space in the business ecosystem for another entity with a commercial kitchen, though care should be taken to also develop unique services that are not offered by other groups.

Study Methods

Two similar but separate surveys were developed, one targeting food businesses and one targeting non-food businesses. The questions for the survey instruments were developed with ample feedback from other practitioners in the field and pre-tested on 7 current Local Roots' businesses. The surveys were distributed to current Local Roots' businesses by email with a Survey Monkey link. A small number of paper copies of surveys were hand delivered to Amish businesses who may not have access to the internet.

The survey was distributed to all 194 food and non-food businesses currently selling their products at Local Roots during June and July 2020. Because the survey was distributed during a pandemic, we asked responses to be based on the status of the business as of March 1, 2020. This allowed us to obtain results that were independent of the impact from the pandemic.

Study Results

The survey received a 38% response rate (73 entrepreneurs responded). There is some bias in the responses, since Local Roots' staff and board members followed up directly with some of their larger and/or more active businesses. Thus, the numbers presented include nearly all the largest businesses working with Local Roots. Figure 1 shows survey responses by business type.

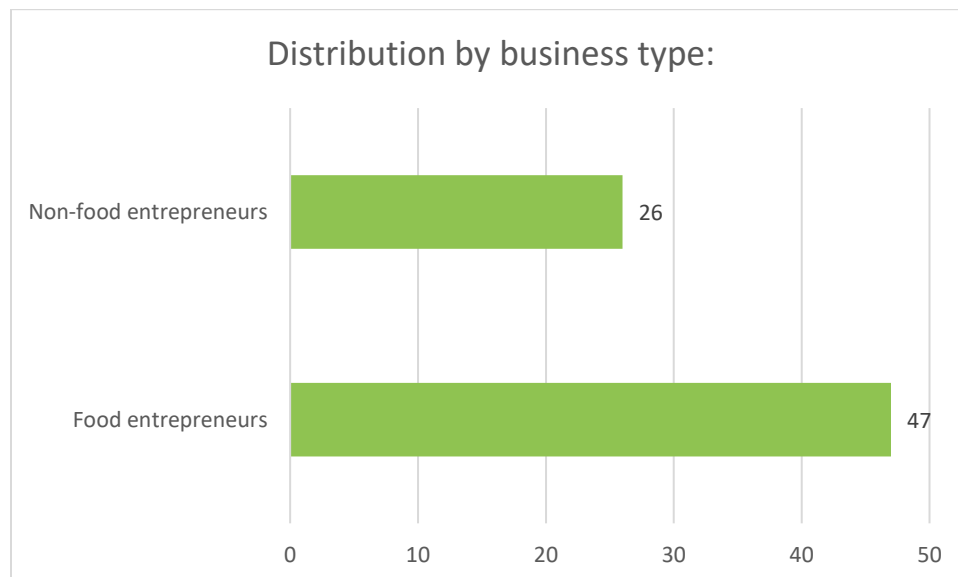


Figure 1. Survey responses by business type

Economic Impact Results

This section focuses on quantifying the overall economic impact Local Roots has had on businesses over the 10 years in which Local Roots has been in existence. All responses are based upon the entire time with which the producer has been working with Local Roots.

Businesses were asked: What year did you begin working with Local Roots?

- The average number of years that food entrepreneurs surveyed have been working with Local Roots is 5 years, or since 2015 (with a range 3 months to 11 years).
- For non-food entrepreneurs, the average years working with Local Roots is 4 years and 4 months (range 1 year to 11 years).

Next, businesses were asked about job creation. For economic impact on jobs for businesses that sell products at Local Roots, the results are as follows:

- Local Roots contributes to 100 full time jobs
- Local Roots contributes to 175 part time or seasonal jobs
 - Of those jobs, 47 part time or seasonal employees were hired specifically because of Local Roots

The survey was worded carefully to differentiate between the owner and family members with respect to job numbers. There was a series of questions to confirm if the owner considered their work with the business that works with Local Roots a full-time job or part time; and whether they considered their family members' full or part time jobs. Including jobs for owner and family members is a more accurate way to capture the full number of jobs that Local Roots may have impacted, since owners might not ordinarily count themselves as a job created by their business. The job impact numbers are an underestimate. Given the 38% response rate, it's clear that there are additional businesses that have been impacted by Local Roots but simply did not take the survey, and thus are not included in these numbers. Refer to Figure 2 for a summary of job impacts.

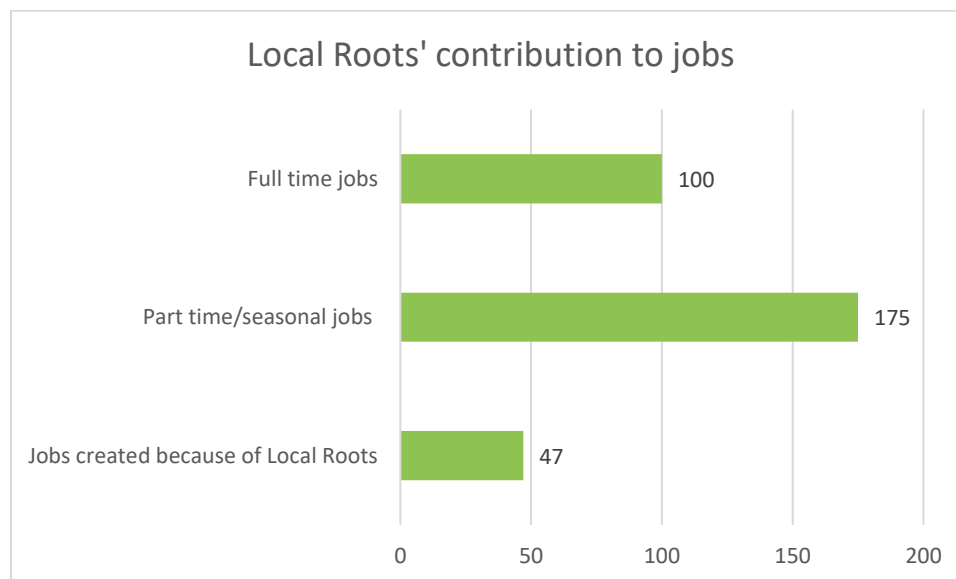


Figure 2. Local Roots' contribution to jobs for businesses who sell products through Local Roots

Next the survey asked: For your primary business, please provide an estimate of your gross sales for 2019 (gross sale estimates are listed in the following section). Then there was a follow-up question: Roughly what percentage of those gross sales is from Local Roots?

- 25% of respondents rely on Local Roots for the majority of their business income.⁸

Businesses were also asked about the impact that Local Roots has had on workforce development. That is, has the business owner ever received technical assistance from anyone in the Local Roots network? Technical assistance can include information on accounting or finance, regulatory requirements, food processing techniques, market access or other related topics.

- 29% of respondents have received technical assistance from Local Roots and considered it “critical for helping my business succeed.”

Food businesses (working with Local Roots) demonstrated a stronger economic impact than non-food businesses.

- 1 in 7 food businesses surveyed hired an employee because of Local Roots
- 93% of food businesses surveyed have grown since they began working with Local Roots
 - Almost half of food businesses reported that they grew **because of help from Local Roots**

Several businesses filled in a comment with examples of how Local Roots has helped their business grow. Examples of comments are included below (copied and pasted exactly as written in the survey):

- **Local Roots’ staffing**
 - “New manager with strong drive and positive attitude”
 - “The gross sale increase has occurred over the past 2 years, since Local Roots has had an executive director”
 - “excellent staff Melissa Jessica Joshall”
- **Commercial kitchen or other equipment**
 - “I would not be in business without Local Roots. I transitioned from farming to producing hummus in LR’s commercial kitchen and continue to expand what products I’m making there.”
 - “Provided a commercial kitchen space which was a large hurdle when we first started and couldn’t afford all the equipment on our own.”
 - “Local roots purchased a fresh food cooler for me to use”
- **Its role as a year-round farmers market**
 - “Gives me another opportunity to offer my fresh produce to communities in the winter”
 - “Its mere presence as a year-round market is crucially important for connecting with consumers.”
 - “Immediate ability to sell my products when they are ripe. No need to store the vegetables or let them over ripen waiting for market day.”
- **Marketing and promotion**
 - “Gives exposure of my products to a wider range of customers”

⁸ Majority means 50% or more of their gross sales in 2019.

- “Social Media promoting”
- “I appreciate the good job the Local Roots staff does in promoting individual businesses via social media, etc.”
- **As a business incubator to test new products**
 - “We wouldn't have started the bakery business if we hadn't seen a need at Local Roots.”

Finally, businesses were asked, “Are there any significant impacts on your business related to the pandemic that are likely to affect your future business growth? If yes, please explain.” Because the survey only asked one brief, open-ended question on this topic, these results should not be considered comprehensive or definitive. The results do, however, provide an initial insight into potential impact on businesses.

- 11 food businesses stated that there has been no negative impact, or potentially even a positive impact on demand
- 16 food businesses noted some negative impact (either now or expected in the future if pandemic restrictions continue)
- 14 non-food businesses noted some form of negative impact on their business

Feasibility Results

This section looks at the feasibility for creating a new non-profit that would provide support to food and agricultural businesses to help them succeed and grow. Before one creates a new non-profit for business support, it's critical to understand: who is the potential customer for the non-profit? Current businesses who work with Local Roots are an easy candidate to target for potential use of future services offered by the non-profit entity. In the future, the clientele may become more diverse and expand beyond the typical businesses who work with Local Roots. But to begin, looking at current businesses will give insights into initial clients for the non-profit.

Food businesses were asked: what describes your relationship with Local Roots for your primary business?

- 57% described their primary business as selling value-added products.
- 43% described their primary business as selling agricultural products (including produce, milk products or meat). Refer to Figure 3 for more details.

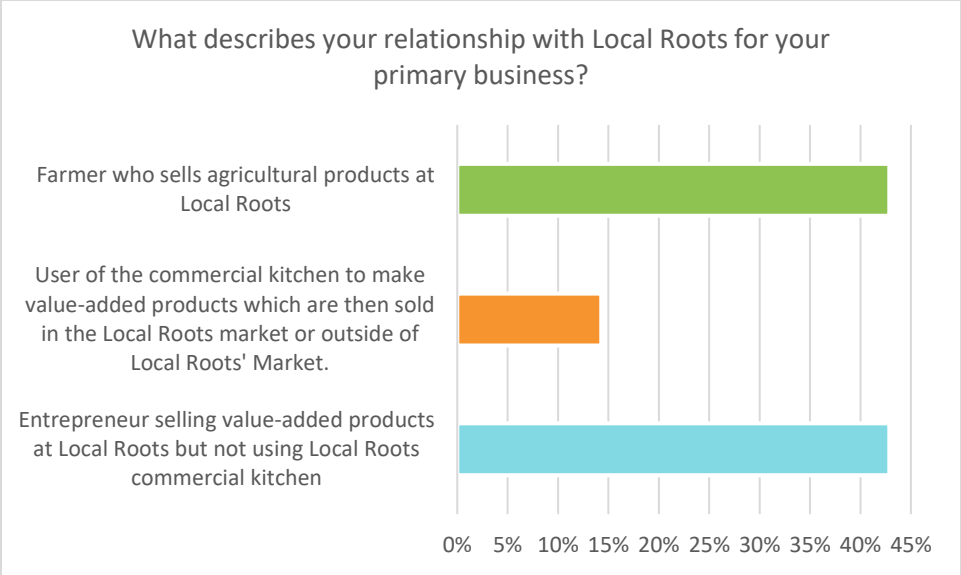


Figure 3. What describes your relationship with Local Roots for your primary business?

Non-food businesses were asked: what best describes your non-food products that you sell through Local Roots?

- 27% of non-food products include elements grown or harvested at the business owner’s home, farm or somewhere in Ohio.
- 35% of non-food products include purchased elements not made locally.
- The 38% in the “Other” category included a diversity of products and services, including roasted coffee and medical massage therapy. Refer to the details in Figure 4.

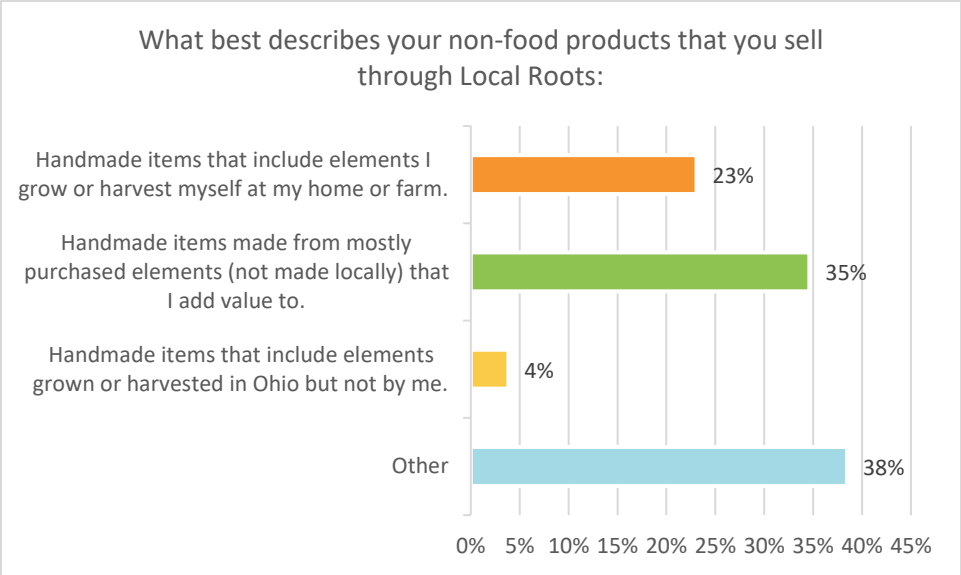


Figure 4. What best describes your non-food products that you sell through Local Roots?

With respect to location, survey respondents were asked: What is the zip code for the location of your business?

- There was a cluster of responses in Wayne County and in the surrounding counties
- There were also a handful of responses from as far as Toledo, Cleveland, Athens, Columbus and almost 60 miles to the east of Wooster.

With respect to size of current businesses, businesses were asked: Please provide an estimate of your gross sales for 2019.

- Not surprisingly, the largest category of businesses is under \$10,000 in gross revenues in 2019.
- However, it's notable that there is diversity in the size of businesses, with 11% at more than \$200,000/year. Refer to Figure 5 for more details.

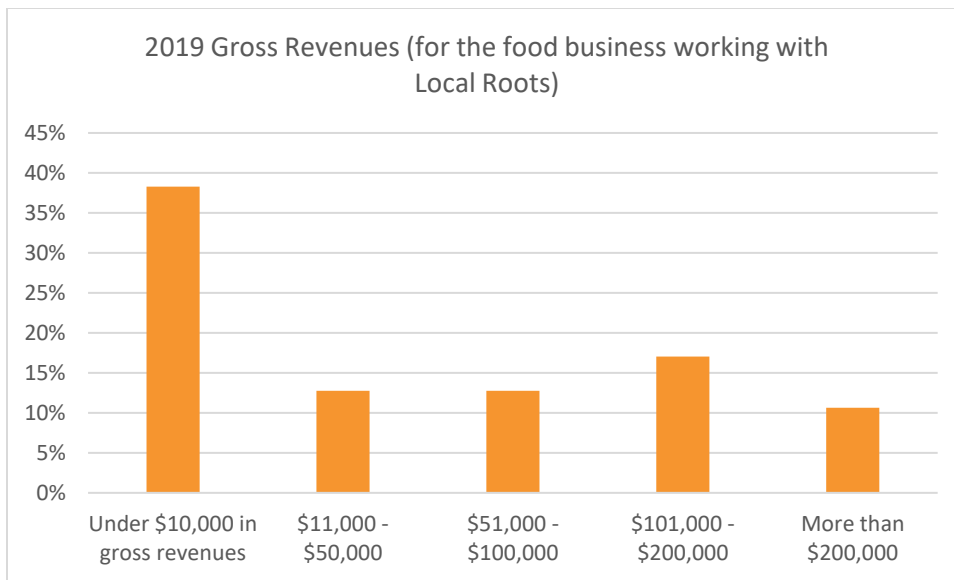


Figure 5. Gross revenues for food businesses currently working with Local Roots

A pivotal question is “when” businesses utilize Local Roots. If businesses seek out Local Roots only in the first three years of business, then Local Roots’ would more directly be defined as a business incubator. Some business incubators will extend their services to cover the first five years of a new business when the business is most likely to fail. In contrast, a business accelerator supports businesses after they have moved out of the start-up phase and are entering a phase where they aim to grow and expand. Information on how long businesses have been in existence when they sought out Local Roots’ could give insights into whether entrepreneurs are more likely to view Local Roots as an incubator, accelerator, or both. For food and non-food businesses, the results were similar:

- About 2/3 of respondents utilized Local Roots as a business incubator, first seeking out services from Local Roots in their first 5 years of business. Of those, half sought out Local Roots the same year the business was established.
- About a quarter didn’t utilize Local Roots until they were more established, suggesting Local Roots played the role of an accelerator. The range was from 6 years to 68 years after been founded. (The remainder left the question blank).

An indicator of whether an existing business might be interested in support for their business is whether that business wants to grow. Businesses were asked: “How do you see your business changing in the next five years? Please briefly describe the best-case scenario of where you would like your business to be.”

- For food businesses, about 70% want to grow
- For non-food businesses, only about 40% want to grow. Refer to Figures 6 and 7 for more details.

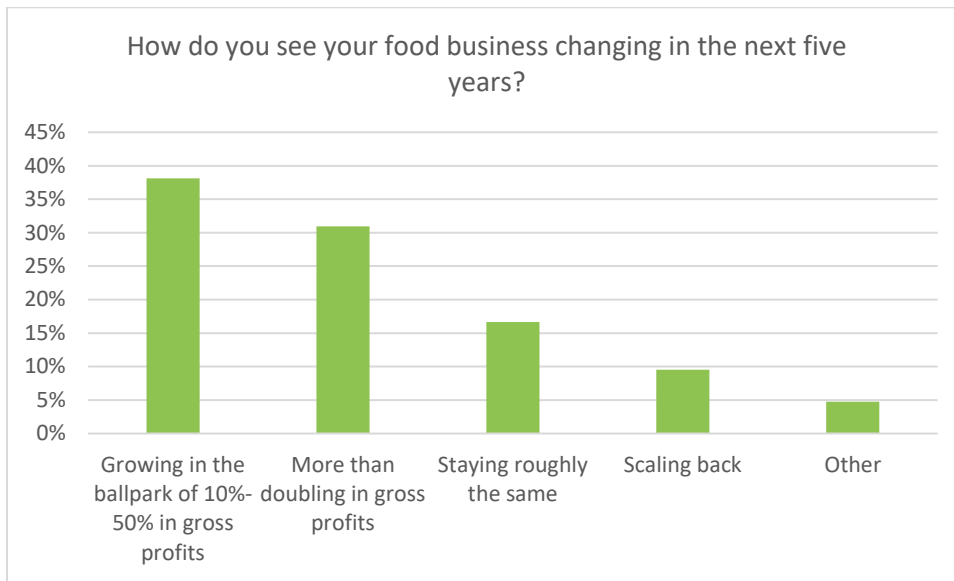


Figure 6. How do you see your food business changing in the next five years?

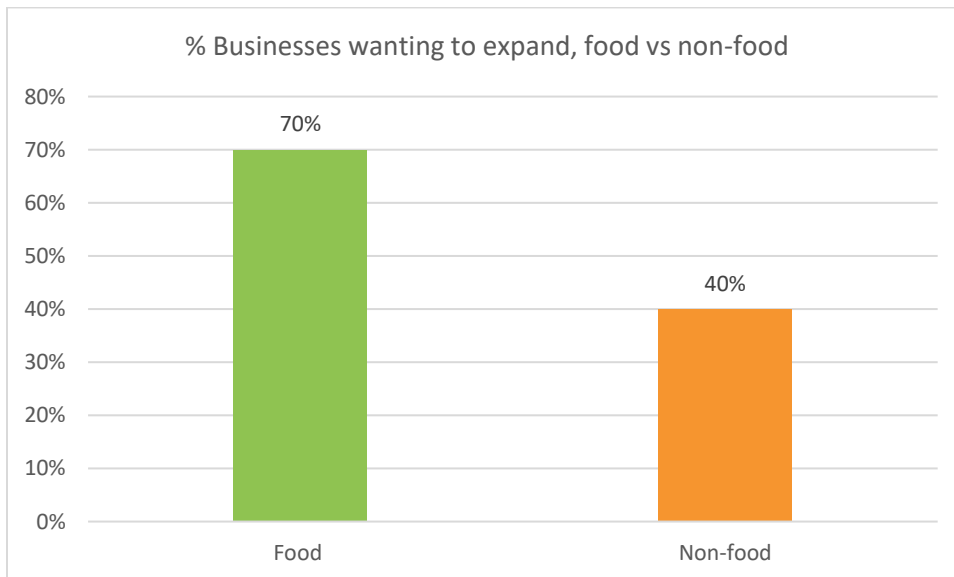


Figure 7. Percentage of business wanting to expand: Comparison of food versus non-food businesses

Then, businesses were asked: What are your biggest barriers to profitability?

For food businesses, the top answers were:

- Finding outlets for my products
- Competition from similar growers/producers
- Competition from large-scale growers/producers (i.e. large supermarket chains).

For non-food businesses, the top answers were:

- Finding outlets for my products
- Competition from similar products
- Inexperience handling administrative tasks such as marketing, payroll, budgeting

Next, businesses were asked directly: Please select the 3 most important services you would be most likely to use in a business incubator.

- Over half of food businesses listed both **Marketing and Promotion** and **Access to Markets** as their top services of interest
- 30% of food businesses listed **Technical assistance** (e.g. on health codes, regulatory guidelines, etc.) as a top need
- For non-food businesses, more than 2/3 of respondents listed both **Marketing and Promotion** and **Access to Markets** as their top services of interest
- 27% said that they also would be interested in **Support with developing innovative new products/market research**

Then, to get at the information in a slightly different format, the survey asked food businesses only: Please select up to 3 important areas in which you currently need more support. Interestingly, even though 57% described their primary business as selling value-added products, **food processing** ranked lowest. **Distribution, refrigeration, and storage** all ranked higher. Refer to Figure 8 for more details.

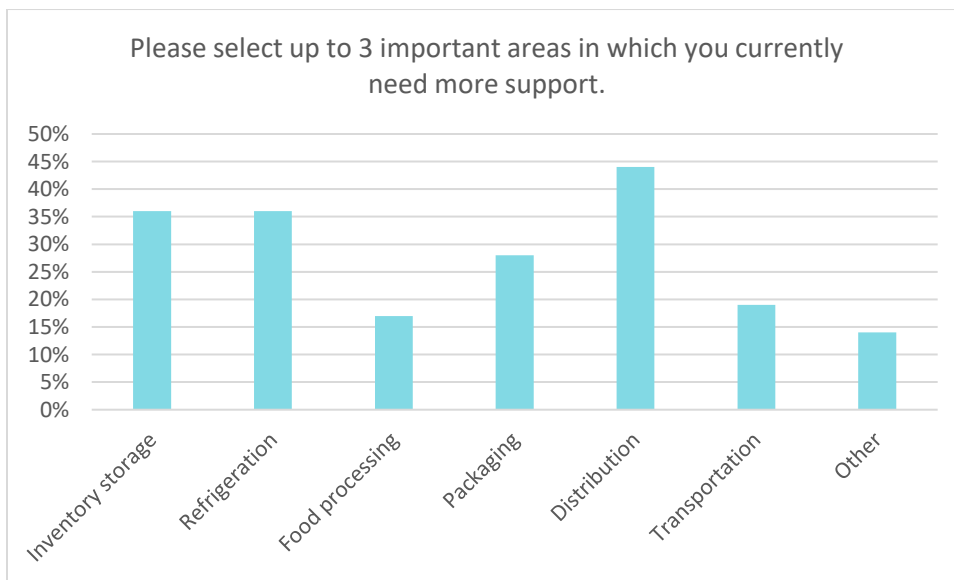


Figure 8. For food businesses, 3 important areas in which they currently need support.

Certain comments by businesses from the open-ended questions of the survey are worth noting. A small handful of businesses suggested that they would not be interested in utilizing business incubator if Local Roots were to expand services to businesses. Example comments include:

- “I am not working on growing at this time.”
- “My husband retires in 3 years and we’d like to do some traveling.”
- “I’m now wondering if I wasn’t actually supposed to fill this survey out since I’m not really trying to grow a business but am mostly funding a hobby and (hopefully) adding value for Local Roots.”
- “I am not sure given that we are in Cleveland that we would use a business incubator located in Wooster.”
- “We are past the point of benefiting from a business incubator.”

On a positive note, there were also comments expressing interest in the potential to be able to access business support services in the future. Examples include:

- “Exuberant that Local Roots is taking the initiative to help promote and bolster small businesses.”
- One respondent requested, “help with using social media to advertise food products, computer help.”
- One respondent requested support, “Developing an online presence.”

One final area of interest is whether a business has ever obtained financing for activities related to their business(es). Often the role of a business incubator is to support businesses in acquiring financing to expand, so looking at past patterns could be an indication of future needs as well. Businesses were asked: To date, have you ever obtained financing for activities related to your small business(es)?

- One quarter of respondents have obtained some form of financing for their business. Examples of where they obtained financing include Small Business Administration, USDA, Farm Credit, Honeycomb Credit, Killbuck Savings Bank, family and a few noted a PPP loan this year.
- Three quarters of respondents have not obtained some form of financing for their business.

Conclusions and Next Steps

This section will summarize the results, focusing on implications for creating a non-profit that supports entrepreneurs. Then, gaps in this analysis will be emphasized, as well as future research needed.

Conclusions and Recommendations

- 1. A major finding of this study is that Local Roots is already having a positive economic impact on jobs.**
 - Local Roots contributes to 100 full time jobs and 175 part time jobs. This means that the aggregate jobs that Local Roots supports have the collective impact of a medium-sized business.
 - Even without a budget to provide technical support to businesses, 47 jobs have been created because of Local Roots. These are all seasonal and part time jobs, suggesting that with a formalized program and budget, there is potential to create more full-time jobs as well.
- 2. Local Roots is filling a vital niche in terms of the services they offer.**
 - 25% of businesses surveyed rely on Local Roots for the majority of their business income. This suggests that there are not other alternatives available in driving distance that would fill that need.
- 3. Local Roots is already serving a role in workforce development.**
 - 29% have received technical assistance from Local Roots and considered it “critical for helping my business succeed.” This is important because across northeast Ohio, workforce development is a priority. There is a mismatch between skill sets and jobs available. Any contribution to workforce development – especially in a target industry cluster like food processing – is critical for the local economy.
- 4. Food businesses are seeing more growth and hiring more employees than non-food businesses.**
 - 93% of food businesses have grown since they started working with Local Roots and 80% have a goal of continuing to expand.
 - 77% of non-food businesses have grown since they started working with Local Roots and only 40% have a goal of expanding.
 - Further, if one looks deeper into the data on jobs created because of Local Roots, non-food businesses also have not hired any employees because of Local Roots. This suggests that there are significant differences in the way food businesses see growth and the ways that they are investing in their businesses. This suggests that food businesses could have more interest in working with a business incubator than non-food businesses.
- 5. Local Roots already functions as a business incubator and a business accelerator.**
 - Roughly 2/3 of respondents utilized services from Local Roots in their first 5 years, suggesting they were accessing Local Roots as a business incubator.
 - About a quarter of respondents utilized services from Local Roots when their business was more than 5 years old. It is not uncommon that businesses need support once they reach

the maximum size they are able to grow on their own – entrepreneurs will often seek support when they aim to grow to the next level.

- There are two implications from these results. The first is that businesses in their first years do need extra support to increase their success rate. The second is that only focusing on business incubator services for new businesses would be limiting, and that existing businesses also have demonstrated a need for services to expand.

6. While Local Roots currently supports small businesses, they support larger businesses as well.

- One might argue that small businesses are the top client of Local Roots, since they are the largest category of businesses utilizing services. While that is true, it is also important to note that larger businesses are currently working with Local Roots. Since the non-profit will service new businesses that do not currently work with Local Roots, larger businesses should not be overlooked as potential future clients for the non-profit.

7. The top challenges to profitability facing businesses are around finding new outlets for selling their products and competition with similar products.

- This suggests that Local Roots as a market for selling products isn't sufficient, and in the future businesses will need assistance finding more outlets in which they can sell their products.
- This also suggests that businesses need help differentiating their products.

8. Top services that businesses are requesting are around marketing and promotion, access to markets, and technical assistance.

- This suggests that there is a demand for services to support businesses, and that businesses would seek out the non-profit for services if they were formalized in some sort of technical assistance program.
- It is important to keep in mind that in general, people don't know what they don't know. While that sounds obvious, the implication is that this list of services that businesses are requesting might not be complete. One of the roles of the non-profit will be to identify additional innovative ways to support businesses that may not be as obvious.

9. Businesses also want support with facilities – refrigeration, storage, distribution.

- Businesses are not only asking for support with services, but also with facilities and infrastructure.
- It was surprising to see the low number of responses requesting support with food processing. It is not clear why that number is low. Did respondents interpret this as needing technical assistance/guidance in food processing or actual labor to do the food processing? Or is it that current Local Roots businesses do not need (much) additional support with food processing, but future businesses might have higher demand for food processing?

Next Steps and Future Research

This study has helped to draw conclusions and recommendations for starting a non-profit to support businesses. This study has also helped to reveal where gaps in our knowledge remain.

- 1. More research is needed on businesses who are not currently working with Local Roots.**
 - The non-profit will go beyond the scope of Local Roots and work with new businesses. Thus, more information is needed on potential future clients that need support but do not currently work with Local Roots.
- 2. More research is needed to further differentiate between the needs of the smallest businesses versus larger businesses.**
 - The largest category of businesses currently receiving services is those under \$10,000/year in gross revenues. Their needs are likely different than the larger businesses who seek support, and thus more information is needed on those differences in goals and needs.
 - It also remains unknown as to how large of a business could the non-profit support. More analysis could help to better understand if the ideal target audience for the non-profit would be only small and mid-sized businesses, or if the non-profit could have the capacity to support and/or partner with very large businesses.
- 3. More research is needed to better understand the difference support needed by those wanting incubator services versus those needing accelerator services.**
 - This study didn't differentiate the questions asked to those who have been in business less than 5 years versus those who have been in business for more than 5 years. Thus, more research is needed in how business needs change as they expand.
- 4. More research is needed into innovative solutions that can be offered to businesses who make value-added products.**
 - To be at the cutting edge, the non-profit needs to stay ahead of trends and innovations in the field to be able to support their clients. Just knowing that businesses need support with "marketing" is not enough – the non-profit will need to be on top of the state-of-the-art best practices in the field. Small and mid-size businesses lack resources to complete research around consumer demand, markets, supply chains, technology and innovation, so this is a role that the non-profit could fill to support businesses.
 - The non-profit may also fill a role of connecting different groups and encouraging shared resources. As a connector, the non-profit also needs to be on top of best innovations for businesses to stay competitive while supporting local food systems.
- 5. Better understanding is needed as to why food processing ranked low as an area in need of more support.**
 - At this time, the current commercial kitchen of Local Roots is at full capacity. This suggests there might be unmet demand and that expanding the commercial kitchen could attract new producers of value-added products. But food processing ranked low as a need. More research needs to go into this potential discrepancy.

Fundraising and Financial Feasibility

Here will be highlighted specific recommendations around fundraising and financial feasibility.

1. **The non-profit will be more successful if it aims to grow slowly and sustainably, relying on a diversified mix of funding and revenue sources.**
 - It is anticipated that this non-profit will aim to grow slowly and sustainably, with a solid base of grass roots support from current Local Roots constituents. Over time, the non-profit can cultivate relationships with larger donors and investors.
 - The non-profit will also rely upon a wide diversity of funding and finance mechanisms from a range of sources, including grants from government agencies and foundations, which will be particularly important during the start-up period.
 - Grants are invariably awarded for a finite period of time. An ongoing funding stream will need to be articulated that will enhance and then ultimately replace (or significantly supplement) the grant funds. Ongoing funding streams will include philanthropic donations from individual donors. Also, revenues will be generated by users of the commercial kitchen and business services, who pay fees for those services.

2. **While some information is known on revenue sources, more information is needed before a financial feasibility can be completed.**
 - More information is needed before the full financial feasibility can be completed. First, the non-profit needs to finalize a board of directors, create a mission statement, hire an attorney, obtain 501c3 status, and begin the initial stages of strategic planning.
 - Then, scenarios can be created, and the full financial feasibility can be assessed. The financial feasibility will need to include a location a location for offices and will most likely need to include a commercial kitchen space. The financial feasibility will also need to include initial staffing needs.
 - The non-profit can begin by leveraging the infrastructure of Local Roots and leasing space from them. In the future, expansion of the commercial space may be necessary. Cultivating a core group of anchor tenants will be important for the success of the non-profit to ensure consistent revenues from renting the commercial kitchen space.

3. **Start applying for grants to fund a staff position.**
 - A funded staff position will be needed to successfully plan, design and implement business support programs. Getting grant funding for a staff position(s) within the first two years will greatly increase the likelihood of success of the non-profit.
 - Consider opportunities for shared staffing between Local Roots and the non-profit.

4. **Developing collaborate partnerships with businesses, government agencies, other non-profits, and universities will help leverage resources and increase the potential impact.**
 - Explore collaborations with university partners such as The Ohio State University. The location of Ohio Agricultural Research and Development Center (OARDC) in Wooster presents an opportunity to partner around research or innovation around food products.
 - Local foods systems are complex, with linkages across sectors and organizations. Partnering will be necessary to have success in such a complex environment.

Appendix A. Indicators to Measure Success

The survey conducted may be able to serve as baseline data for the proposed non-profit. The following table lists several key indicators that were assessed in the survey. These same indicators could be tracked over time to assess the change in impact of the non-profit as it invests more resources. Please note that because the non-profit is not yet created and does not have a name, it will be referred to as the “non-profit.”

Potential indicator to measure success	Questions to ask
Number of full-time jobs supported (for the business that works with the non-profit)	<ol style="list-style-type: none"> 1) Do you consider your business a full-time job for you or any members of your household? 2) How many full-time jobs does this business support for you and members of your household? 3) How many full-time employees did you have as of March 1, 20xx?
Number of jobs created because of your relationship with the non-profit	<ol style="list-style-type: none"> 1) Have you been able to hire any employees (full time, part time or seasonal) because of your relationship with the non-profit? 2) How many full-time employees? 3) How many part-time employees? 4) How many seasonal employees?
Gross sales from the previous year.	<ol style="list-style-type: none"> 1) For your primary business, please provide an estimate of your gross sales for 20xx.
Number (or percent) of businesses who saw an increase in gross sales because of their relationship with the non-profit.	<ol style="list-style-type: none"> 1) Since your start with Local Roots, have your overall gross sales increased? 2) If yes, would you attribute your growth to support from Local Roots? 3) If yes, do you have any specific examples of how Local Roots has helped your business grow?
Number (or percent) who have received technical assistance that was critical for helping their business succeed.	<ol style="list-style-type: none"> 1) During your time working with Local Roots, have you ever received technical assistance from anyone in the Local Roots network? Technical assistance can include information on accounting or finance, regulatory requirements, food processing techniques, market access or other related topics. 2) If answering yes to the previous question, please consider the following statement. The technical assistance I received was critical for helping my business succeed. (use Likert scale of strongly disagree, somewhat disagree, neither agree nor disagree, somewhat agree, strongly agree)
Likelihood of recommending the services of the business incubator to another business	<ol style="list-style-type: none"> 1) Consider the following statement: I would recommend the services of the non-profit [insert name] to other businesses. (use Likert scale of strongly disagree, somewhat disagree, neither agree nor disagree, somewhat agree, strongly agree)

The final metric in the chart did not originate from the survey. Rather, *the Likelihood of recommending services* metrics was included because that is a common metric for businesses and non-profits to include when assessing their success.

There is a caveat worth noting with respect to indicators is the time period. This study covered the full time period that Local Roots has been in existence: 10 years. It might make more sense to consider an annual metric for some of the impact metrics – e.g. if 47 jobs were created because of Local Roots over 10 years, one might state that as 4.7 jobs per year created.

Further, Olikewicz et al. (2018) is a good reference, including a comprehensive list of indicators specifically developed for business incubators.⁹ Examples include:

- The percentage of start-up companies owned by women.
- The percentage of start-up companies owned by underrepresented minorities.
- Annual number of clients receiving help from the business incubator center related to the evaluation of an invention/business idea during the beginning stage.
- Annual number of clients receiving help from the business incubator center related to the development of a business plan or business model (before the incubation stage).
- Number of start-up companies during the incubation period (1–3 years) and their success rate, that is, the percentage of companies who have graduated from the business incubator center.
- Number of full-time staff employed by the business incubator center.
- Number of faculty from the local university cooperating with the business incubator center.
- Annual number of students doing projects which benefit start-up companies in the business incubator center.
- Number of volunteers providing services to the business incubator center, engineers, lawyers, accountants, business leaders, etc.
- Annual number of training workshops for new entrepreneurs sponsored by the business incubator center (or annual number of participants attending those workshops).
- Annual budget of the business incubator center and level of subsidy from public and private sources.

Finally, including a household income metric could be important because it may be required for certain grants, such as the Community Development Block Grant (CDBG) programs of the US Department of Housing and Urban Development. To accurately assess household income, please refer to up-to-date income categories and thresholds appropriate for your County. As an example of the information that could be needed, there is a business incubator program in another state that requires this data from all clients before they begin using the incubator program services:

INCOME AND HOUSEHOLD DATA

Please choose the row that represents your family size and circle the Income Category that best describes your family income. Family income includes wages and salaries, interest, net business income, social security, pensions, alimony received, VA benefits, and educational benefits

⁹ Olikewicz, M., Wolniak, R., Eva-Grebski, M., & Olikewicz, A. (2018). Comparative Analysis of the Impact of the Business Incubator Center on the Economic Sustainable Development of Regions in USA and Poland. *Sustainability* 11 (173): doi:10.3390/su11010173

received by all family members living at home. Alimony paid may be deducted. This verification form should reflect your current family income. This data is required by the CDBG program.

Number of persons in family	Income category A	Income category B	Income category C	Income category D
1	\$0 to \$17,150	\$17,151 to \$28,600	\$28,601 to \$45,750	\$45,751 +
2	\$0 to \$19,600	\$19,601 to \$32,650	\$32,651 to \$52,250	\$52,251 +
3	\$0 to \$22,050	\$22,051 to \$36,750	\$36,751 to \$58,800	\$58,801 +
4	\$0 to \$25,750	\$25,751 to \$40,800	\$40,801 to \$65,300	\$65,301 +
5	\$0 to \$30,170	\$30,171 to \$44,100	\$44,101 to \$70,550	\$70,551 +
6	\$0 to \$34,590	\$34,591 to \$47,350	\$47,351 to \$75,750	\$75,751 +
7	\$0 to \$39,010	\$39,011 to \$50,600	\$50,601 to \$81,000	\$81,001 +
8	\$0 to \$43,430	\$43,430 to \$53,900	\$53,901 to \$86,200	\$86,201 +

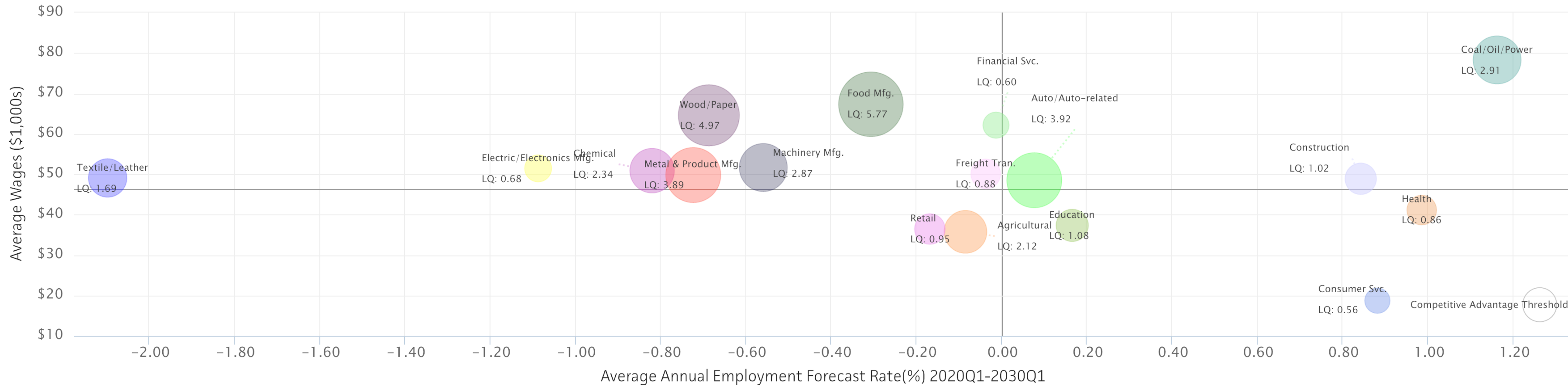
Appendix B. Industry Clusters in Wayne County, Ohio

Please refer to the following page for the graphic on Industry Clusters in Wayne County, Ohio as of 2020 quarter 1. The graphic presents three factors:

1. The graphic shows size of the industry cluster (as measured by the Location Quotient); the size is indicated by the relative size of the colored circles.
2. The y-axis shows average wages in the cluster.
3. The x-axis shows employment forecast – positive would be an expected increase in jobs over the next 10 years; negative shows an expected decrease in jobs over the next 10 years.

Reference: Chmura JobsEQ, 2020, Bowling Green State University Center for Regional Development.

Industry Clusters for Wayne County, Ohio as of 2020Q1



- Textile/Leather
- Food Mfg.
- Agricultural
- Chemical
- Wood/Paper
- Electric/Electronics Mfg.
- Auto/Auto-related
- Machinery Mfg.
- Metal & Product Mfg.
- Coal/Oil/Power
- Retail
- Consumer Svc.
- Education
- Financial Svc.
- Construction
- Freight Tran.
- Health
- Competitive Advantage Threshold