

Michigan

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Michigan's Master Farmers



GETTING IDEAS TO WORK: The Starting Block in Hart is an incubator kitchen for new entrepreneurs to test their products. Kitchen manager Jim Henley (left), office manager Jane Doemagen and director Ron Steiner are eager to help in all aspects of starting a new agriculturally based business.

By JENNIFER VINCENT

HAVE you turned Aunt Ellen's sensational salsa recipe into something spectacular? Or is it your famous barbecue sauce that's on demand at every family function? Ever thought about trying to move your products from the home kitchen to retail or commercial markets?

Ron Steiner, who is the director of The Starting Block in Hart, says it's not as hard as you think. The Starting Block is a commercial "incubator" kitchen designed to test the ideas and dreams of individuals to see if their products are

Key Points

- Commercial kitchen in Hart is available for testing new ag products.
- The Starting Block helps entrepreneurs develop products and gain customers.
- Proper support and education can help new products enter the market.

marketable on a larger scale. It allows entrepreneurs to advance, alter or abandon ideas with minimal investment.

Idea advancement

Steiner believes too many good ideas remain just that — ideas. Part of the

problem, he says, is not understanding the differences between the myths and realities of entrepreneurship.

He questions the saying that four out of five businesses fail. "It's more like one out of two, and it could be better odds with the proper support and education," he says. The center is focused on advancing agricultural-based products and developing value-added products, largely made from Michigan's array of raw commodities.

Another myth, Steiner says, is that money isn't available.

"I'm not going to say financing is easy, but if you have a good product and

a plan, the money is there," he says.

One problem with financing, Steiner admits, is banks want to see a track record. "That's a problem for a lot of people that are just getting their feet wet with commercial production. They are called 'startup' for a reason, but that's why we're here.

"The incubator kitchen helps to fill that gap giving them time and the equipment to develop a product without a lot of initial costs, while also allowing them to build customers, cash flow and the track record that banks are looking for."

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Get cookin'



CATERING CAPACITY: The incubator kitchen in Hart has a commercial kitchen along with this smaller-scale kitchen that can be rented for catering.

By JENNIFER VINCENT

LIKE the Bush family's secret recipe for baked beans, there's no doubt that some of the best-tasting foods come from years of tweaking to perfection on the kitchen stove. Kathleen Bush became known for her prized beans, taking them to family functions and church gatherings. Family members would even jest about selling the recipe, saying, "If you put this taste in cans, they'd fly off the shelves!"

It was her son, Condon, that ran with that idea, and today, Bush beans are known worldwide.

That kind of success involves many factors, but without the opportunity to try, it would have never made it to the market.

Today, there are stringent food-safety regulations that make it illegal to sell many types of food products from home. So, how do you develop and test a product without selling off your house and first-born child to do it?

The Starting Block in Hart is one avenue. It is a 2,500-square-foot facility with a fully licensed commercial kitchen that offers new ag-based entrepreneurs a shared workspace, equipment, office space, computer access, a library, staff support, dry goods storage, and walk-in freezers and coolers.

The idea is to develop a product that meets all licensing, and health and safety requirements, and can be tested in increasingly larger batches without making a huge financial investment.

Help offered

WEST Michigan's Regional Kitchen Incubator and Entrepreneurial Center in Hart is a place for small-business owners to learn more about the technical aspects of food production and receive assistance in:

- product development
- ingredient sourcing
- packaging and labeling
- UPC coding
- shelf-life information
- nutritional analysis information
- marketing strategies

Key Points

- Starting Block offers clients opportunity to test products without huge financial risk.
- A commercial kitchen, freezer, dry storage and office space are available.
- Kitchen is accessible 24/7, and help is offered in management and marketing.

Willie Brown of Flint brought the idea of marketing his grandmother's, or Baba's, frozen corn bread dressing to The Starting Block in fall of 2006. He was the center's first client; about 35 clients are currently using the facility.

In January, Brown is partnering with Starting Block to co-package the product, which will start appearing in Meijer stores in February.

Some products might take off; others might not. But that's what the facility is all about, explains Ron Steiner, Starting Block director. "At least, by using the incubator kitchen, they can test their ideas without a huge financial risk," he says.

Getting started

Steiner, kitchen manager Jim Henley and office manager Jane Doemagen, who is Henley's wife, work part time at the center. "But, we provide whatever it takes to help someone along," Henley says.

"We provide support, and help them develop a business plan, do market research and course instruction on revenue streams. We have meeting rooms they can use, and they can rent turn-key offices, complete with furniture, computers, phones and Internet access for a nominal rent," Steiner says.

The idea for the incubator kitchen is largely credited to the late Tom Guthrie, who founded the Michigan Integrated Food and Farming Systems nonprofit organization. In 2003, MIFFS was awarded two USDA Rural Business Enterprise grants of \$283,700 each for incubator kitchens in Huron and Oceana counties.

The Michigan Economic Development Corp. also kicked in \$40,000 for each kitchen. After the feasibility studies gave the official green light in 2005, the Hart kitchen was operational within a year. The Huron County kitchen had difficulty in finding an appropriate facility

and was delayed, but is now open.

Steiner is particularly proud that the facility operates in the black through user fees and a conservative approach. "We watch our expenses, and we're able to expand our offerings through the generosity of others, donations and scrounging," he says.

The office desks were donated by Dow Chemical; Michigan State University provided the computers; and much of the equipment was bought at state auctions or donated. A school in Muskegon provided a stove and dishwasher.

"Some of this stuff we can use, and some of it we trade for other equipment. We take everything we get for that reason; we can barter," explains Henley.

One of the most valuable donations to the kitchen was a forklift donated by John Holmes, president of Elston-Richards warehouses.

Easy access

The kitchen is accessible 24/7 to accommodate various schedules. "Many of our clients have full-time jobs and come from as far away as Brighton," says Steiner.

Clients are issued a key to the building and are required to slot their kitchen times on the schedule. "We operate a lot on the trust factor and have had no problems with that," he says. "Clients clean up after themselves and abide by the Standard Operating Procedures for Sanitization."

The Starting Block targets clients in a 90-mile radius, but "anyone willing to drive is welcome," Steiner says.

Clients have three years to develop their products. "It's our goal to graduate them in three or less," he notes.

Dennise Wright of Hart used the kitchen to develop a line of baked goods. She now owns and operates a commercial kitchen on her farm. Vicki Fuller of Fremont also utilized the kitchen to jump-start her Maple Island Pie Co.

Other clients include MSU veteri-



COME ON IN: The Starting Block in Hart is a place where new ideas can take root.



TO MARKET: Southern Stuffing, a frozen corn bread dressing, was developed by Willie Brown at The Starting Block.



NEW GOODS: Clients have marketed jams, chutney, dry seasonings, rubs, salsa, barbecue sauce and other goods.

narian Jan Angell, who is working on a high-end dog treat containing all-natural ingredients.

Steiner says the most important step for a new entrepreneur is taking the first step. He hopes it's through the front door of The Starting Block.

The Starting Block is located at 1535 Industrial Park Drive in Hart. For more information, contact Steiner at 231-873-1432 or tsbi1@verizon.net.

Starting Block's tools to success

THE Starting Block offers entrepreneurs various tools and support to start a successful enterprise, including:

■ **A commercial kitchen.** The shared-use commercial kitchen helps meet food processing needs at low hourly rental rates. Fees range from \$10 per hour for tabletop kitchen use and food packaging to \$12 per hour for general kitchen use, and \$15 per hour for baking, catering, and steam kettle and filler processing. Certified staff in food handling and equipment operation is available for assistance.

■ **Office rental.** Office rental includes wireless Internet access, local phone, conference room and office support. A 90-square-foot office rents for \$110 per month and a 22-square-foot office for \$275 per month.

■ **Education.** Small-business management, networking and individual business guidance are offered, along with entrepreneurship and marketing classes.

■ **Equipment.** Tenants receive training and have access to commercial ovens, freezers, ranges, mixers, kettles, industrial food processors and more.

■ **Licenses.** The shared-use kitchen is licensed and approved by the Michigan Department of Agriculture.

■ **Product development.** Technical advice is offered on food production, pH levels, batch recipes, and packaging and labeling.

■ **Warehouse and storage.** Refrigerator, freezer and dry pallet storage is available for rent at the rate of \$10 per month for nonsecured dry storage, and \$15 per month for secured dry storage. Refrigerator and freezer storage rents for \$1.50 per cubic foot per month and \$75 per pallet per month.