The Essence of Developing Entrepreneurial Food Businesses

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The Essence of Developing Entrepreneurial Food Businesses

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What is an entrepreneur?

- Literally means “to take action”
- One who “shifts...resources out of an area of lower and into an area of higher productivity”
- A Food Business Entrepreneur adds value to agricultural commodities
  - Brings useful products to market
  - Increases standard of living
Program to Develop Food Businesses

Why a program like this in Nebraska?
People, land and agriculture

- Only 1.8 million people

- Nebraska’s total area, including land and water, is 200,358 square kilometres. (Land area alone is 199,113 square kilometres).
  - 15th out of the 50 US States in land area.
  - 93% of the land area is used for Agriculture

- Mostly Plains / Excellent Large-Scale Farming

- Underground water resources (aquifer)
  - 8.2 million acres (3.2 million hectares) irrigated
Economy dependent on agriculture...

- When crop and meat prices are high, economy is good
  - Economy suffers when...
    - Prices are low
    - Weather limits production
- Need to “add-value” to commodities
  - Food processing is a natural business
- University of Nebraska, as a “Land-Grant” University has a mission to help the state and its economy
Developed in early 1980’s.

Stimulates the development and growth of Nebraska's food processing industry

- Provides integrated scientific, market/business development, technological, pilot plants and product development services
- Full time professional staff dedicated to this mission with close support of faculty
- Supports all size businesses
- Specialized entrepreneurial assistance program
Food business entrepreneur program

- Created in 1989
- Only US program providing comprehensive assistance to individuals wishing to develop a food manufacturing business
- Combines business and technical assistance.
Phase one

One-day *From Recipe to Reality* Workshop

- Food Safety
- Product development & processing
- Packaging
- Labelling
- Market Research and Pricing
- Business Plan Development
- Pricing
- Product introduction and Promotion
- Legal and business structure
Many people want to be entrepreneurs / own their own business...

- Not everyone ready, able or has the right personality to be an entrepreneur
- First stage designed to discourage those not truly interested
- Gives us a chance to work with only those that are most interested and committed
Phase two

- Integrated individualized follow-up services customized to client needs
- Food Scientists
  - End Use Quality / Consumer Needs
  - Processing Technologies
  - Product Development and Sensory Analysis
  - Ingredient Uses / Functionality
  - Labelling and Nutrition
- Business Professionals
  - Business Plan Development
  - Financing
  - Distribution
  - Marketing
Goals and success

- Rural Economic Development
- Increasing Farm Income
- Capturing Value
- Reduced Food Miles / Local Foods
- Empowering Families

- Since 1989, 61% of the businesses that were started remain in existence
Model applicable anywhere... with any product or service.

- Combine individualized business and technical assistance
- Focused on increasing sorghum / millet use in East Africa
Making entrepreneurship happen

- Takes people, money, and infrastructure
  - People: Elements of risk taking
  - Money: Small (and Large) Capital
  - Infrastructure: Interdisciplinary technical and business knowledge availability
  - In USA – Most applicable to Land-Grant Universities
  - Elsewhere – Where structures exist for interdisciplinary knowledge transfer
Can you teach entrepreneurship?

- Probably not quickly
  - And probably not for the kind of program outlined
  - You can *improve* the chances for success
- Student programs an option
  - Make entrepreneurship a part of college / university culture for faculty, staff *and* students
“Universities create the future”
Engler Entrepreneurship Program (Minor)

- Engler Scholarships
- Engler Entrepreneur in Residence
- Applied Undergraduate Research
- Internships and Field Placements
- Engler Program Capstone Course

- Engler Entrepreneurship Course Development
- Entrepreneur Camp
- Husker Horizons
- International Experience
- Engler Venture Capital Fund
- Paul Engler Agribusiness Entrepreneurship Chair
- Paul Engler Lectureship Series
Sorghum food business entrepreneurship

What is the program...and does it work?