

A photograph of three business professionals sitting around a round white table in a modern office setting. A man in a white shirt and tie is on the left, holding a laptop. A woman with glasses and a black top is in the center, looking at the laptop. A woman in a white blouse is on the right, looking towards the others. The background features large windows with a view of a city and a red building. A potted plant is visible on the right side of the table.

Supporting & Empowering Consumer Packaged Goods (CPG) Entrepreneurs

LSC

A Toolkit for Business Development Organizations that Work
with Aspiring and Growing Businesses Focused on Food and
Beverage Production and Manufacturing for Retail Sales

Introduction

Business Development Organizations (BDOs) play a pivotal role in supporting the launch and growth of small businesses across all sectors. This toolkit explores how BDOs can provide guidance, programming and encouragement to aspiring and current business owners in packaged food, drink and dry goods, also known as the Consumer Packaged Goods (CPG) sector.

We will define and explore a BDO's critical influence as a Navigator, Connector, and Champion of CPG businesses.

In the dynamic and competitive landscape of CPG, the journey from conception to market is dotted with challenges and complexities, particularly for entrepreneurs who seek national and global reach. As a practitioner, you may find yourself working with clients ranging from the hobbyist baker with aspirations to open a bakery, to the next Henry Heinz, and everyone in between. The end goal for each of your clients will be unique, and we hope that this toolkit will help you find ideas and resources to support each of them along their journey.

As BDOs, our role extends beyond providing general technical assistance for starting and growing a business. In this guide, we explore industry specific resources and programs that help CPG ventures test their products' viability and sustainably grow into retail. We discuss the pivotal role that BDOs play in providing the necessary access and connectivity that so many small business owners need to truly make a financial difference in their business. The insular nature of the industry demands an understanding of key stakeholders and strategic alliances with distributors, retail buyers and food service management companies. Through fostering these vital connections, we pave the way for CPG businesses to thrive!



Toolkit Tip!

This toolkit aligns with the [LISC CPG Small Business Owner Toolkit](#) and directly references it throughout. You can access the Owner Toolkit from the navigation bar at the bottom of every page.



The Kroger Foundation and LISC have partnered to strengthen food systems in underserved areas, focusing on historically disinvested communities in Chicago, Houston, and San Diego. Our work is providing small businesses selling food, beverage, and other consumable products with the guidance, coaching, and resources they need to succeed, and invest in and grow the systems that support them. Additionally, the grant supported the creation of two toolkits, one for Business Development Organizations (BDOs) and one for small businesses, that provide valuable insights into government regulations, scaling costs, retail marketing, and free small business resources.



LISC is committed to connecting people, businesses and places to grow inclusive local economies and drive equitable access to opportunity. Leveraging our unique blend of national perspective and local partnerships, our model integrates three core strategies: building and supporting pathways to quality jobs and financial security, fostering local environments where diverse businesses thrive through increased capacity and access to capital and transforming underinvested commercial and industrial districts into generators of inclusive economic opportunity.



Since The Kroger Co. Foundation was first established in 1987, our work has focused on building stronger communities and supporting neighbors in need. Kroger's nonprofit private foundation is deeply committed to giving back and achieving positive impacts in the communities we call home. We support organizations that help create communities free of hunger and waste, enhance economic opportunities and inclusion, provide critical assistance, and help with disaster relief efforts.



in/tend is a small business owned by a Latina, with a committed team dedicated to supporting clients' efforts to enhance access to resources and solutions for a fair and inclusive economy in the U.S. We work collaboratively with organizations, sharing our talents and expertise to help them succeed in their field and realize their goals.

SPECIAL THANKS TO

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LORENA LOCK
Million Cakes

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Western MA Food Processing
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Development Corp.

ALISON ELLIOTT
Farmer Foodie

**Their participation brought life to
our Case Studies and inspired our
CPG Superstar Personas.**

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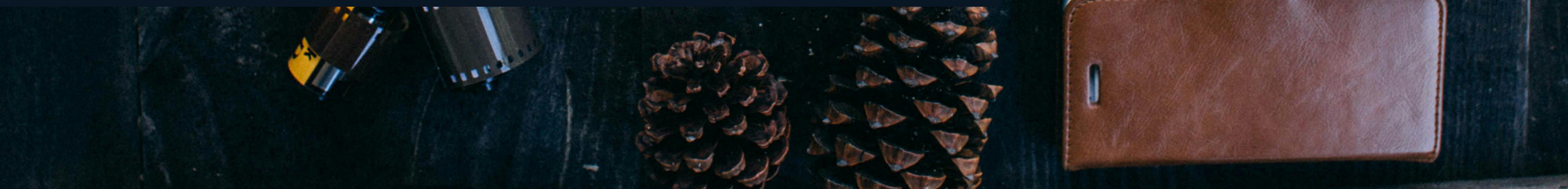
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- Results Achieved

Resources



01
Navigator





Navigator

Within your BDO, you may have the role of a business advisor, counselor, coach, trainer, mentor or any other title that denotes your commitment to helping aspiring and current business owners understand the many facets and requirements that come with launching and growing a CPG business in your community. In this section, you will find recommendations and resources to help shepherd your clients through their journey as small business owners.

Remember!

Not all prospective clients will be familiar with the term “CPG,” especially aspiring or nascent stage business owners. Depending on your target audience, consider using alternative language like “food entrepreneur,” “food manufacturer” or “beverage maker” as your future client may not yet identify as a CPG entrepreneur. Your services could be the catalyst to help them see retail as a potential expansion of their current business model.

Marketing Your Services to CPG Businesses

As a BDO that serves aspiring and existing CPG businesses, it is important that you are not the town's "best kept secret." To help CPG businesses succeed, they must know you exist in the first place. Consider these channels for reaching these entrepreneurs:



Digital

- Website/social media
- E-newsletters/electronic publications
- Digital advertising



Physical

- Attend small business events to network
- Speak at CPG industry conferences or meetings
- Connect with key industry leaders
- Distribute flyers locally at farmers markets, artisan fairs, bazaars, etc.

Use specific calls to action across these channels to:

- Promote services or programs geared toward CPG business owners
- Educate on industry trends and best practices
- Highlight success stories of CPG clients who have benefited from your services



Client Intake

If you do not yet have a process for gathering information on new clients, we recommend putting together a fillable client intake form, or investing in a customer relationship management (CRM) system that allows you to obtain baseline data about your client such as:

Product information

A client selling jams and mustards will need different guidance on regulatory compliance than a client selling bath and body products.

Current stage in business

- Ideation/pre-start-up
- Start-up (0-12 months)
- Nascent stage (1-2 years)
- Growth (2-5 years)
- Mature (5+ years)

Monthly/annual business revenue and expenses

Find out if and how they are currently tracking their financials. Do they do it manually, in a spreadsheet, a bookkeeping application, or outsource to a professional?

Current sales channels

It is helpful to know if CPG business owners are selling at farmers markets, boutique/ local retailers, their own retail outlet, online, regional retailer, national retailers or any combination of the above.

Geographical location

Ask about the location of where they make their products and where they sell them.

Socio-demographic information

Understanding how your client identifies and more about their background; including race, ethnicity, gender, income, education level and primary language; will help you meet their needs, and determine if they may qualify for special programs or assistance.

Not only will strong client data help you curate relevant information, resources and connections to support your clients, it will also help you track the impact of your BDO to share with key stakeholders. This data becomes important when building new partnerships, as we discuss in the Connector section.

Challenges and needs

Learn what areas they are struggling with in getting started, stabilizing or growing their business. This will help you prepare necessary resources and can spur further conversation that reveals other root causes to the problems they are experiencing.

Goals

Understanding your CPG clients' long-term and short-term goals will help you prepare an action plan that prioritizes activities to reach those goals. It can also help assess partnerships that will be beneficial to them, and can act as an accountability guide in your meetings to ensure they continue to progress.





CPG Client Resources

When helping your client navigate launching or growing a CPG business, we recommend using the accompanying [LISC CPG Small Business Owner Toolkit](#) to guide your client through the four stages of business:

- Stage 1: Start-up
- Stage 2: Scaling
- Stage 3: Entering Retail
- Stage 4: Network Development

The following checklists are designed to help you assess the client's progress in each business stage and provide tailored guidance to advance them to the next stage.

BDO Client Checklists

Stage 1: Start-up

Find out if your client has...

- Tested their product idea with prospective customers
- Completed market research
- Calculated the fixed and variable costs, along with the start-up costs, for launching the business
- Created a business plan
- Registered their business and, if launching with another owner, formed an operating agreement
- Obtained the appropriate local, state and federal permits and licenses
- Obtained their Employer Identification Number
- Established a system for tracking their business financials
- Opened a separate business bank account
- Obtained a sales tax permit
- Obtained commercial insurance



Even if your client is already operational, it is a good idea to review these foundational items with them to ensure they did not miss any important steps in properly formalizing their business.

Stage 2: Scaling

Find out if your client has...

- Determined there is sufficient demand for their product and the new sales channels they will pursue for growth
- Determined what adjustments need to be made to their product, pricing and processes to transition from small batch to high volume production
- Assessed the pros and cons of scaling through in-house versus outsourced development
- Determined the additional human resources needed to scale and the appropriate roles, goals and timeline for hiring
- Established a strong brand, marketing plan and appropriate packaging for scaling
- Determined the fixed and variable costs associated with scaling and the best funding sources to tap into
- Prepared financial projections, adapted their business plan and applied for a small business loan, line of credit or pitched to investors



It is not uncommon for CPG business owners to need an intermediary production resource to make the leap from small batch production to a full-fledged manufacturing facility. Researching the options for co-manufacturing and building relationships with partners in this space can prepare you to help your clients navigate the timeline and resources needed to scale sustainably.

BDO Client Checklists

Stage 3: Entering Retail

Find out if your client has...

- Researched what retailers are the best fit for their product and what their requirements are
- Compiled recent sales data and customer reviews
- Created a well-designed sell sheet and pitch to highlight their unique selling proposition and pricing
- Modified their financial plan to accommodate expenses like slot fees, merchandising and distribution
- Reviewed their first purchase order with an experienced CPG professional or attorney to understand all contractual obligations and impact to their financial position
- Upgraded their software to efficiently track and report high-volume production, inventory and financials
- Determined a plan for supporting and growing their retail position (in-store demos, merchandising, coupons, etc.)



Opening doors to prospective retailers is often the most substantial way your BDO can support a CPG client's success in this stage. Refer to the Partnerships section for ways to identify and build relationships with buyers and distributors. Help your client set realistic expectations - it may take multiple attempts and several months to secure a meeting with a buyer, for example.

Stage 4: Developing Your Network

Find out if your client has...

- Sought out a network of peer entrepreneurs in various stages of building a successful CPG business
- Connected with one or more BDOs to support their expansion through 1:1 coaching and training as they grow their business
- Vetted and contracted with business service providers such as accountants, attorneys, marketing firms and other subject matter experts that can support the various stages of their business growth
- Obtained certifications to enhance their marketability and reputability
- Sought opportunities to give back by mentoring earlier stage entrepreneurs in their sector

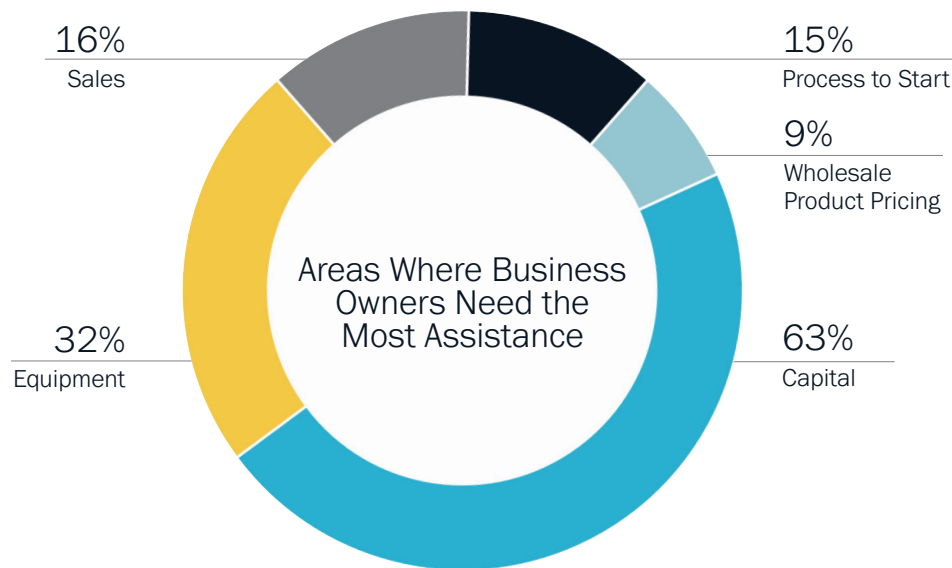


As a BDO in this stage, you can make a tremendous impact in a business's trajectory by cultivating strong partnerships with a variety of public and private organizations and individuals in the small business community and CPG industry. Consider building a directory for referrals, and programming opportunities that encourage connections among entrepreneurs and the professionals who support them.

Programming

In addition to providing one-on-one technical assistance for CPG business owners, your BDO may offer group programming that includes small business workshops, webinars, roundtables, accelerators or mentoring.

In a 2024 LISC survey of CPG business owners, well over half of those surveyed said they needed the most assistance with obtaining capital, followed by equipment and then sales support. 30% indicated they needed help in all aspects of their business. **This is a critical opportunity for BDOs to serve as a navigator.**



Consider these topics when designing your BDO calendar of events and when sourcing subject matter experts to lead training and mentorship roundtables. Survey your own client database to learn if there is demand in a specific subject area and determine how you can provide assistance.

Top Six Topics Business Owners wish they Knew More About

01
Financing

02
Accounting

03
Product design and creation

04
Pricing

05
Manufacturing resources

06
Branding and marketing

Programming

Ideas in Action



Manufacturing Resource

For example, in a recent [case study](#), a BDO learned that their food manufacturing businesses were struggling to meet retailer demand using a shared commercial kitchen, and neither a traditional co-packer model or building a manufacturing facility were financially feasible for these small start-ups. There was a clear need to bridge the gap between small batch production and high-volume manufacturing. This is how they planned and implemented a co-manufacturing kitchen to be an intermediary for CPGs entering the retail space.

Visit the [Connector](#) section for ideas on partnering with different organizations and subject matter experts to strengthen your programming.



Access to Capital

In another recent [case study](#), a BDO addressed their client's need for capital in various ways at different stages of the business. They created a start-up curriculum to help entrepreneurs build a business plan, with a cash award incentive for the best pitch. They helped the client prepare financial projections and get credit-ready, then introduced them to a start-up friendly community development financial institution (CDFI) that was able to fund their first loan to purchase commercial equipment and lease a building. Later, the client participated in the Entrepreneur Connections program, where the BDO encouraged the client to leverage their assets and proven credit-worthiness to graduate to an SBA loan, in partnership with a regional bank.



Client Milestone Moments

- Registering their business with the county or state
- Securing the necessary licenses and permits for their product
- Making their first sale
- Obtaining certifications, such as minority, woman, veteran-owned, ISO, USDA Organic, or Fair Trade
- Capital infusions via debt or equity - be sure to capture the amount!
- Securing their first contract with a retailer
- Opening a manufacturing facility or retail location
- Achieving year-over-year growth in revenue and profit

Tracking Client Outcomes and Milestones

Once you have established a client intake process, the next step is to track their progress. This is where investing in a CRM system will optimize data input and output to better guide your business decisions as a BDO.

Implement best practices like tracking a client's attendance at workshops, graduation from comprehensive cohort programs, appointments with your team members, and milestone moments.

Tracking client outcomes on a quarterly and annual basis through surveys, phone calls, or face-to-face meetings will give you valuable data to understand where your clients are excelling and where they need additional support. Add questions to your surveys and interactions to ask clients where they need help. Not only will this help you adjust your resources, but it can ignite opportunities for new partnerships and programs to fill the gaps.

In the CPG world, a difficult hurdle for new businesses

is getting their foot in the door with retailers. As a BDO, your client data can be a valuable tool in building partnerships with key players in the retail space. For instance, you may be able to write a compelling grant proposal to secure funding for CPG curriculum and capital from local, state or federal government agencies. You may also discover you have a powerful portfolio of client success stories to share with the buyer at your local grocer, building a strategic partnership to help future clients secure pitch opportunities for their product.

At the end of the day, investing resources in your BDO's data infrastructure is a win-win for you and your clients.





02
Connector



Connector

In addition to the technical assistance BDOs provide, your role as a convener in your community's small business ecosystem and greater community at large is essential. CPG businesses come to you to get connected to the right people, at the right time. In this section, we discuss the importance of forming and maintaining partnerships relevant to small businesses in the CPG sector throughout their lifecycle.

Types of Partnerships

We will break the types of partnerships into two categories: **public** and **private**, recognizing that some organizations may be structured in a way that they could fall into both categories. We also use the term "partnership" to encompass both **informal** and **formal** partnerships. An informal partnership could simply be a BDO business coach who meets a commercial real estate agent at a networking event, and then introduces them to their client who is starting to consider a commercial building for their in-home candied-nut business. A formal partnership is sealed with official documentation, like a memorandum of understanding (MOU), a sponsorship or a legally binding contract. Let's explore what these different types of partnership look like and how they can benefit your BDO and your clients.

Public Partnerships

In this toolkit, we refer to public partnerships as those formed with government entities or other organizations primarily funded by taxpayer dollars. Here are some examples:

City and County Government - Economic Development Department, Small Business Services, Health Services Department, County Clerk's Office

Building a relationship with these departments within your city government can help you understand local requirements and resources available to your clients, like where to send your client to file an assumed name certificate, or how to secure a license for a commercial kitchen.

Cities and counties may be potential customers for your clients. Learning about their procurement processes and requirements, and even inviting their staff to conduct presentations and meetings for your BDO's client base could help expand their customer segments into government contracting.

Cities and counties often have funding opportunities for BDOs to help pay for the development and deployment of business technical training programs or grants to deploy to qualified businesses.



State Government - Economic Development Department, Secretary of State, Health Services Department, Comptroller's Office

Similarly, your understanding of state-level departments and offices that regulate small business operations will put your clients at ease, knowing they don't have to figure it out on their own. You don't have to be an expert in all areas, but knowing who to ask will equip you to continuously build an arsenal of resources and contacts for your business owners.

State governments can be a great source of data and trends on economic activity including top industries, purchasing power, gross domestic product and more. Use this data to help your clients understand the risks and opportunities of starting and growing a business in your state.

U.S. Small Business Administration

At the federal level, the U.S. Small Business Administration (SBA) provides a plethora of online resources and guides to support small businesses. They also fund Resource Partners with physical centers across the country that provide technical assistance to aspiring and existing small business owners through one-on-one counseling and training. The four categories of SBA Resource Partners are:

Small Business
Development
Centers (SBDC)

SCORE Business
Mentoring

Veterans Business
Outreach Centers
(VBOC)

Women's Business
Centers (WBC)

These centers could serve as a great referral for clients needing counseling or training in areas that your BDO does not offer. Likewise, sharing your BDO's specialized CPG programming with these centers to disseminate to their client base is a great way of gaining exposure to new clients. Partnering to create new programming for CPG businesses in the area can help your BDO share the risks and rewards of trying something new.

Additionally, the SBA often has funding opportunities available to BDOs beyond their designated resource partners to support small business growth. For example, a BDO that applied for the first SBA Growth Accelerator Fund Competition was awarded a grant to create a 10-week culinary business accelerator to take food businesses from start-up to sustainability.

Certification Agencies

There are public and private agencies that offer certifications for small businesses. Certifications are primarily for businesses interested in selling to the government, but they can also be a helpful marketing tool for selling to corporations or simply for recognition of the special designation. Certifications can be based on a variety of things, such as the business owner's socio-demographics or geographic location, superior operating processes, communication and food processing standards.

Learning about the certifications available in your area and who they benefit will help you align resources to your client, based on their background and goals. Again, you do not have to become the expert in every certification process, but establishing a relationship with the people who are experts is one more way to give your clients that extra boost they need to succeed.

Certification Examples

Small, minority, woman, economically disadvantaged, veteran owned business

Historically Underutilized Business (HUBZone)

International Organization of Standardization (ISO) 22000

USDA Organic, Certified Gluten-Free, Non-GMO, Certified Vegan, Keto Certified, Whole30



Colleges and Universities

Whether public or private, higher education institutions offer a plethora of partnership opportunities to BDOs. For instance, a relationship with a school's entrepreneurship program could lead to a pipeline of future clients for your organization. Connecting with the Business College or Career Services to establish an internship program would provide relevant experience for students and could give your CPG businesses assistance with marketing, accounting or research tasks.

In one [case study](#), we explore how a BDO partnered with their local university's food science program to help CPG businesses test product quality, nutrition label breakdown, and considerations for alternative ingredients to improve their recipes' scalability and shelf-stability.

Elected Officials

Elected officials have a civic duty to act in the best interest of their constituents. This includes your BDO and the small businesses

you serve! Learn who your elected officials are and invite them to tour your space and learn about your services and impact. Here are some examples of the leaders you should connect with:

City Council Members

Mayor's Office

County Commissioners

Governor's Office

State Congressional Representatives

Federal Congressional Representatives

These relationships are important in bringing the needs and concerns of small business owners to the people who drive policy changes. Learn if there are opportunities to serve as an expert on a small business committee, boards or in other rooms where key decisions are being made. Inviting your elected officials to events like program graduations and grand openings are another great way to give exposure to your clients and your BDO.

Private Partnerships

Now let's explore non-governmental partnerships to consider that may also benefit your CPG clients.

Other Business Development Organizations

Are there other BDOs or community organizations in your area whose mission aligns with your work? You might consider forming a consortium with other BDOs to collectively work toward solutions that help small businesses in your community thrive. Maintain a directory of mission-adjacent organizations where your small business clients can access free or low-cost assistance with affordable housing, childcare, transportation or credit counseling.

Financial Institutions and Investor Groups

As we explored in the Navigator section, access to capital is the primary obstacle that small businesses face in starting and growing their CPG business. In addition to the technical assistance you provide to help clients consider the pros and cons of various funding options, your BDO can build connections with reliable, small business friendly contacts so you have a referral when your client is ready to apply for a loan or pitch to an investor.



We recommend you have a range of financial partners who align with businesses in different stages and financial positions including:

▼
Banks and credit unions that offer business loans, checking and savings accounts, credit cards and lines of credit

▼
Community development financial institutions (CDFIs) and certified development companies (CDCs) that offer business loans

▼
Investor groups, particularly those with a portfolio of CPG companies

Business Service Providers and Subject Matter Experts

There are many facets to launching and growing a successful CPG business. Your clients can do much of it on their own, relying on your support, but there will come a time when they need an expert. It may be just once, for consulting on a specific topic like developing the right product packaging, or it may be for an ongoing service like bookkeeping and tax preparation.



Maintaining contacts who support small businesses in the following areas empowers you to better assist your clients:

- Accounting, bookkeeping, tax preparation and advising
- Marketing and advertising - particularly branding, label design, social media management, website/ecommerce development and management
- Attorneys with expertise in operating agreements, contracts, commercial real estate, intellectual property and labor
- Commercial insurance brokers and agents
- Human resources including recruitment, hiring and compliance
- Sales with niche experience in ecommerce and retail
- Compliance - food safety, nutrition labels, local and federal regulations
- Product research, development and testing

When providing clients with referrals to paid business service providers, it is important to encourage your client to interview and compare at least three different options to find the best fit for their business. Exercise caution to endorse or involve yourself in the relationship between your client and a service provider.

Beyond referrals, you may partner with business service providers by inviting them to teach a class, speak on a panel, or serve as a mentor for your business education programs. This is a great way to provide your clients with industry- and subject-specific knowledge for low-to-no cost. Be sure to vet your subject matter experts in advance

by requesting references, reviewing their presentations in advance, and being clear that the engagement is for educational purposes, and not a sales pitch.

If your BDO is a non-profit, you can ask your speakers and mentors to complete an In-Kind Donation Form so you can track the value of the services they provided. Take the partnership a step further by offering paid sponsorship opportunities of your programs or soliciting donations for cash awards or credit to offer your clients. This provides exposure for the business service provider to their target audience, while generating revenue for your BDO or providing seed funding for your clients.

Commercial Kitchens/ Incubator Kitchens

Often, the first step toward growth for CPG businesses comes when they move their production out of their home kitchen. A shared commercial kitchen or incubator kitchen is a great place for entrepreneurs to experiment with product development and increase production with low investment and risk. At minimum, learning about the kitchen options in your area and referring them to your clients can save your clients a great deal of time.

Consider building a more formal partnership with existing kitchens by integrating them into your CPG programming. Perhaps program participants receive access to the kitchen at a discounted rate, or program graduates are awarded a subsidized membership for a specified period of time. These are tangible ways your partnership can boost a client's business idea to a viable product.

If there are no kitchens in your area, explore if there is sufficient demand and interest to build one. This will require strong data, a solid fundraising plan and tremendous effort, but it offers significant reward. In one [case study](#), an

established BDO expanded their infrastructure and services to create a food processing center that supports new and growing food businesses as they navigate the path of bringing a food product to market.

Co-packers/ producers/ manufacturers

Depending on the goal of the entrepreneur, a shared kitchen may not be enough to accommodate their growth. For your clients who wish to expand into retail, they will need to manufacture their product at large volume in a short amount of time. This is where your BDO's relationships with co-packers/ producers/ manufacturers come into play. These entities specialize in providing manufacturing and packaging services for a wide range of products, allowing small businesses to scale operations without the need for substantial capital investment in production facilities and equipment.

As recommended with shared kitchens, your BDO can form partnerships with co-manufacturers by keeping a referral directory, inviting them to collaborate with you on programming or seeing if there is demand to build your own!

Local, regional and national retailers

Once a CPG business has tackled the challenge of scaling, their next hurdle is finding a buyer. In an industry described as very insular, competitive and opaque, getting a foot in the retail door is near impossible for a new CPG business on their own. This is where BDOs can make a significant difference in a CPG business's trajectory. By building relationships with buyers and distributors, your BDO can open that door to new sales channels. In one [case study](#), the BDO executive director invested significant time in calling on local retailers until she finally got a meeting. One meeting allowed her to showcase the portfolio of innovative food products that were incubating with her organization. This intrigued the buyer, who wanted to learn more about the client companies and how they could support the BDO. The relationship developed to where the BDO is now seen as a reputable pipeline for the retailer, and buyers are more likely to take meetings with their CPG businesses.



03
Champion



Champion

Beyond providing technical assistance, BDOs can be a cheerleader, celebrating the wins of entrepreneurs as they journey in their business.

The success of CPG businesses enhances the overall economy of our communities, creating jobs, a broader tax base and greater variety in the everyday products we consume. In the Navigator section, we talk about ways in which BDOs can highlight the success of individual CPG businesses and the collective impact they have.

As discussed in the Connector section, BDOs can act as advocates for their clients when seeking out relationships with various types of public and private partners. For example, your efforts to inform and educate elected officials on the impact and challenges of CPG businesses may favorably influence policies at the local, state and federal levels. Doing the work to build relationships with buyers and distributors in the market is crucial in fighting for traditionally underrepresented CPG entrepreneurs to gain access to networks that are difficult to break into. As a BDO, you can provide a collective voice to the challenges that CPG business owners face and be a convener for solutions to overcome those hurdles.

Campaigns

Another way for BDOs to champion CPG businesses is by creating and implementing campaigns.

Buy Local

As a BDO, you can support your local CPG businesses by organizing and launching a “Buy Local” campaign. Small businesses often have limited advertising budgets, and marketing was one of the top-ranking areas of business that owners expressed needed additional support in the April 2024 LISC survey. By initiating an effective Buy Local campaign, BDOs can help bring meaningful exposure and sales to multiple CPG businesses.

Buy Local campaigns provide visibility and awareness to small businesses selling food and beverage products, cosmetics, apparel and other CPGs.

Here are some ways to initiate a Buy Local campaign that supports CPG businesses in your area

- Launch a social media marketing campaign, featuring a different CPG business each day. Share product highlights, origin stories and links to purchase their product. Include posts that educate consumers on compelling reasons to buy local. For greater reach, create a social media toolkit to share with local chambers, City and County officials, and small businesses.
- Partner with a retailer to highlight local products in their store through advertisements, special displays and promotional coupons.
- Host a Buy Local market, where CPG businesses can set up booths to sell their products. This is particularly effective during the holiday season and when partnering with other organizations who bring large crowds. Be sure to issue media alerts and press releases weeks in advance.
- Publish a Buy Local shopping guide featuring farmers markets, artisan markets, bazaars, boutiques, retailers and grocers where local CPGs are sold. This can be housed on your organization’s website, shared with your local visitors bureau and even printed to circulate during peak shopping seasons.



Case Studies



Rise to Success: How BakerRipley Supported Million Cakes Entrepreneurial Journey

In the bustling world of baked goods, the journey from the oven to the shelf is filled with challenges and opportunities. This case study explores the role that Texas-based community development organization BakerRipley played in helping a home-based bakery navigate challenges, access resources and become a thriving business with two retail locations.



Lorena Lock's business, Million Cakes, was born out of a need to fulfill demand from friends and family for Latin cakes for celebratory occasions, coupled with her love for baking. She opened her first brick and mortar location in 2016 and quickly expanded to a second location. In 2020, the COVID-19 pandemic caused disruptions across all businesses, including Million Cakes. This did not stop them. In 2023, Million Cakes closed its newer location to purchase a larger building to accommodate their growth.

Challenges

Although Lock and her husband both had prior experience as business owners in their home country of Peru, transitioning from a hobby to a formal business required a solid business plan, access to capital and an understanding of regulatory requirements. Additionally, the onset of the COVID-19 pandemic posed threats to the survival of Million Cakes, requiring strategic pivots and access to financial support to weather the storm.



Solution Provided by BakerRipley

BakerRipley provided invaluable support to Million Cakes at various stages of their journey:

Bilingual Business Coaching and Training

While the entrepreneur must possess the passion and drive to bring an idea to fruition, the BDO plays a crucial role in helping the business owner navigate the ins-and-outs of formalizing the business. Lock participated in the 2016 BakerRipley Small Business Academy, a program that helped her develop her first business plan and win first place in the pitch competition, landing her a cash prize

to invest in her new business. This began her long-term relationship with the BakerRipley small business support team, who helped her put together a financial plan and prepare for a small business loan to transition out of her home-kitchen and into her first bakery location. Having guidance from their bilingual business coach helped them understand the regulations and requirements to operate successfully in Texas. BakerRipley offers business coaching in English, Spanish, Farsi and Dari, ensuring that clients from diverse backgrounds can learn and access resources in their preferred language. Lock continued her participation in BakerRipley's Entrepreneur Connection program as the business grew and their needs evolved. Her business coach helped her strategize the steps and resources she would need to secure a second location.

Food-Industry Recovery Support

When the COVID-19 pandemic threatened the survival of Million Cakes, BakerRipley was in their corner to help navigate the process of securing disaster recovery and payroll protection loans. BakerRipley created the Food Industry Recovery Program, now the Food Industry Resilience Program, with detailed classes to help food-based businesses pivot during the pandemic. Lock was one of the program's first participants, gaining valuable ideas from her instructors and peers that led her to create online baking classes and refine her operational processes.

Access to Capital

BakerRipley connected the Locks with CDFI partner PeopleFund for their first commercial loan to purchase equipment and provide working capital for her new lease and expanded operations. The loan gave Million Cakes the financial boost it needed to become a preferred vendor at event venues across the city and even to establish business-to-business relationships selling products to restaurants and coffee shops.

In 2022, Million Cakes began preparing for another expansion of the business - the purchase of their own building. Lock shared her goal with BakerRipley, and her business coach helped connect her with regional bank Hancock Whitney to apply for an SBA Loan. Having the training and support from BakerRipley to understand the options available, the required documentation, and plan for repayment gave Million Cakes a strong position to be approved for the loan.

Strategic Partnerships

Researching, vetting, and building relationships with key players in the entrepreneurial ecosystem is a full-time job and can feel overwhelming for a new business owner. The story illustrates how a BDO's knowledge of the small business loan process, and the variety of options available, can help guide an entrepreneur to the best fit, depending on the business's size, maturity, financial position and goals. While it is the business owner who must do the work to ensure they are capital-ready when they apply for financing, the BDO can help facilitate the process by preparing them and making introductions to small business-friendly lenders.

Small Business Champion

Entrepreneurship can be extremely lonely. As the leader of their business, it is seldom that an entrepreneur has someone to pat them on the back for a job well done. BDOs can play an often-overlooked role by celebrating a business owner's success. In 2023, Million Cakes celebrated the grand opening of their newest location with a ribbon cutting ceremony co-hosted by the BakerRipley team. Not only is this a feel-good moment for the client to reflect back on how far they have come, it is a way for the BDO to help promote new products and services available in the community to a wide audience.

The success story of Million Cakes underscores the transformative impact of a BDO's support in empowering entrepreneurs to overcome challenges, access resources and achieve their business goals. Through tailored programs, strategic partnerships, and unwavering support, BakerRipley serves as a catalyst for entrepreneurship, driving economic growth and community development in the greater Houston area.

Scaling Success: How CommonWealth Kitchen Empowered Hillside Harvest to Navigate the Complexities of the CPG Industry

In the competitive landscape of the CPG industry, the journey from farmers markets to regional grocers can be daunting. This case study explores how CommonWealth Kitchen, a community kitchen and non-profit BDO in Massachusetts, played a pivotal role in a Caribbean-inspired hot sauce manufacturer's quest to become a condiment staple on retail shelves.



Kamaal Jarrett, the owner and founder of Hillside Harvest, embarked on his entrepreneurial journey with a passion for Caribbean flavors and a desire to share them with a broader audience.

Jarrett's journey involved navigating numerous challenges inherent in the CPG industry, from regulatory hurdles to access to distribution channels.

Challenges

The primary challenge for Hillside Harvest was transitioning from artisanal, small batch production methods to scalable manufacturing processes.



Solution Provided by Commonwealth Kitchen

CommonWealth Kitchen provided comprehensive support to Hillside Harvest at various stages of their journey. This support included:

Technical Knowledge

Hillside Harvest participated in CommonWealth Kitchen's Food Business 101 Course, which covered essential topics such as permits, licensing, nutrition and financials tailored specifically for the food industry. Additionally, partnerships with educational institutions like the food science program at University of Massachusetts Amherst provided valuable insights into product development, food safety and regulatory compliance.

Co-Manufacturing Program

CommonWealth Kitchen's co-manufacturing program enabled Hillside Harvest to scale production sustainably without the exorbitant costs associated with traditional co-packers. This program provided Hillside Harvest with the necessary infrastructure and support to meet growing demand while

maintaining quality and control over their products.

Access to Networks and Connections

CommonWealth Kitchen facilitated connections with distributors and food service management companies that were critical to Hillside Harvest's expansion. The team at CommonWealth Kitchen worked hard to secure meetings and build relationships over time with key decision-makers at local institutions, knowing that this was often the toughest hurdle for their clients. They are now a strategic partner for retailers looking for unique, local products that have a solid business and financial plan.

A Champion for Small Businesses

Racial justice is embedded into CommonWealth Kitchen's mission and work. With this in mind, the team at CommonWealth Kitchen identified that breaking down doors where there are meaningful outcomes to the bottom line of a business would become part of their work. With the advantage of a

long-standing reputable organization, they were able to represent groups of small businesses and be the voice to advocate for giving them a shot in rooms that start-up businesses and BIPOC-owned businesses simply did not have a seat in.

Results Achieved

With CommonWealth Kitchen's support, Hillside Harvest successfully navigated the complexities of the food manufacturing industry and achieved significant milestones, including securing placements in regional grocers and expanding their distribution to new regions. CommonWealth Kitchen's strategic guidance and access to resources played a pivotal role in Hillside Harvest's growth trajectory, establishing them as a prominent player in the market. The partnership between Hillside Harvest Caribbean Sauces and CommonWealth Kitchen exemplifies the power of collaboration and support in overcoming barriers to success in the CPG industry.

By providing comprehensive resources, connections and specialized programs, Commonwealth Kitchen was able to support Hillside Harvest's objective of scaling their business sustainably while breaking down barriers and challenging structural inequities within the industry.

How a Local Incubator Accelerates CPG Success - A Case Study of Farmer Foodie and Franklin County CDC

Ali Elliott, founder of Farmer Foodie, launched a deliciously memorable line of Cashew Parm, products that are shelf stable, sustainable, free from dairy and gluten and made for health-conscious consumers. With the support of the Franklin County Community Development Corporation's (FCCDC) Western MA Food Processing Center, Elliott transformed her innovative idea into a commercially viable product.



Elliott's journey began in 2020 when she was the Education Director at McEnroe Organic Farm. She started Farmer Foodie as her plant-forward food blog, developing and publishing original and sustainable recipes. During graduate school, she set a goal to research, plan and launch her first CPG brand. She connected with FCCDC to help commercialize one of her creations—Cashew Parm. Working with their Food Processing Center provided her with a launching pad to transition from a home kitchen prototype into a market-ready product.

Challenges

Elliott's desire to create a delicious dairy-free cheese product led her to develop the first recipe for Cashew Parm. While this was a start, she quickly realized the hurdles she would need to overcome to reach her goal of having a full line of shelf-stable, sustainable products to share with the world. Her start-up challenges included:

Product Creation: Ensuring the taste, texture, and quality of Cashew Parm met consumer and retailer expectations, Elliott had to reformulate her original recipe to make Cashew Parm commercially viable.

Regulations: Navigating food safety regulations and obtaining the necessary certifications, such as vegan, organic, kosher, and gluten free, which are critical for market acceptance and took longer than anticipated.

Packaging: During her incubation period at The Food Processing Center, Elliott learned she would have to re-do her original packaging and branding to meet retailer's Category requirements and ensure her product line stood-out on the shelves.

Education and Connections: Although Elliott had a strong business and sustainability background, she needed hands-on learning and exposure to CPG specific insights, trends, and stakeholders that would help her hone in on her business plan and financial projections with the support of industry experts and peers.

Capacity: Upon finalizing her scalable product, Elliott needed to find a trustworthy and affordable co-packer capable of manufacturing her product. After securing her first retail customers, she needed to establish a relationship with a reliable distributor in order to reach a wider market.



Solution Provided by FCCDC

Access to Facilities and Equipment

The Western MA Food Processing Center provided Elliott with state-of-the-art commercial kitchen facilities. This allowed her to experiment with and perfect a consistent and high-quality product without breaking the bank. The team at the Food Processing Center also helped her understand the specific equipment, ingredients, labor, and costs that would be involved in manufacturing her product, which later helped her to vet and secure a best-fit co-packer. In addition to providing a space for research and development, the FCCDC helps many clients with their first production runs, a learning phase often marked by high costs and low sellable output.

Resources and Business Education

Elliott participated in FCCDC's Wholesale Readiness Program for Food Entrepreneurs, a collaboration between the Western MA Food Processing Center and the Sustainable Business Network of Massachusetts. This program provided insights into food safety and federal

regulations, cost of goods sold, manufacturing, branding, marketing, and sales, and connected her with industry experts and mentors. FCCDC's expertise was invaluable in navigating the complex regulatory landscape. They assisted Elliott in ensuring her labels were compliant, and supported Elliott's decision to invest in a firm that helped her transition from her original packaging to a more professional design and brand strategy, enhancing marketability to future retailers.

Money

FCCDC educates clients on numerous debt and equity funding options. The organization finances both start-up and existing small businesses and takes a holistic approach to reviewing each application, carefully considering the unique attributes of the borrower and the soundness of their business plan. They created the PV Grows Investment Fund in 2015 to offer alternative financing solutions for local farm and food businesses that are not able to access capital from traditional banks. With awareness of the

different financing options available, Elliott could make informed decisions about what was best for her company. She learned early on that there were opportunities to win cash through participating in pitch competitions. These pitch competitions not only helped cover essential expenses for the company's growth but also provided crucial advice and connections from industry veterans.

Networking and Market Access

FCCDC's network facilitated introductions to peers, business service providers, potential buyers and distributors, helping Elliott expand her professional network. Elliott did a significant amount of research, outreach and relationship-building prior to and after her participation in the Wholesale Readiness Program including subscribing to CPG-industry newsletters, meet-up groups, accelerator programs, and trade shows. Her expansive network was vital for getting Cashew Parm onto store shelves and into consumers' hands.

With FCCDC's support, Elliott successfully launched a rebranded and expanded Cashew Parm product line. Her participation in the FCCDC programs - from providing state-of-the-art facilities and technical training to regulatory guidance and market access—enabled Elliott to transform her vision into a thriving business. Since then, Farmer Foodie's Cashew Parm has secured shelf space in several local and regional stores and on Amazon, increasing brand visibility and consumer access.



Resources

Resources

The following national resources are available to support your BDO's work in empowering CPG entrepreneurs' success.

Navigator

These websites offer tools and templates for BDOs to assist small business owners in creating business plans, financial projections, marketing strategies and more:

<https://www.sba.gov/>

<https://www.initiateprosperity.org/>

For food industry news, insights, and education for the CPG Community, check out:

<https://www.nosh.com/>

Federal agencies that approve and enforce patents and trademarks, the manufacturing and labeling of some CPG products, and programs, research and educational materials for food businesses include:

<https://www.uspto.gov/>

<https://www.fda.gov/>

<https://www.usda.gov/>

Connector

To find an SBA Resource Partner in your area that you can partner with or refer to for technical training for your clients, visit:

[Small Business Development Centers](#)

[Women's Business Centers](#)

[SCORE Chapter Locator](#)

[Veteran Business Outreach Center](#)

To build partnerships or referrals to CPG specific resources, we recommend conducting keyword searches to help you find existing programs and services in your area:

*Commercial kitchens;
incubator kitchens*

Co-packers; co-manufacturers; co-producers; small-batch co-packer

Food and beverage business incubator; food and beverage accelerator; CPG accelerator

Food safety; food labs; food permits and licenses

Food distributors

Pitch competitions; CPG angel investors and venture capital; small business loans

[Retailer Name] procurement process; buy local program; supplier diversity

Champion

The American Independent Business Alliance has an entire resource section of guides, graphics, and webinars dedicated to Buy Local including:

[Six Common Mistakes That Kill Buy Local](#)

[Campaigns](#)

[Top Reasons to Buy Local](#)

[A Guide to Helping Your Local Businesses and Community Thrive](#)

Additional Resources

LISC & The Urban Manufacturing Alliance co-authored "Seeding Starting, and Scaling Local Branding Initiatives" a study of economy development strategies that establish manufacturing entrepreneurial ecosystems.

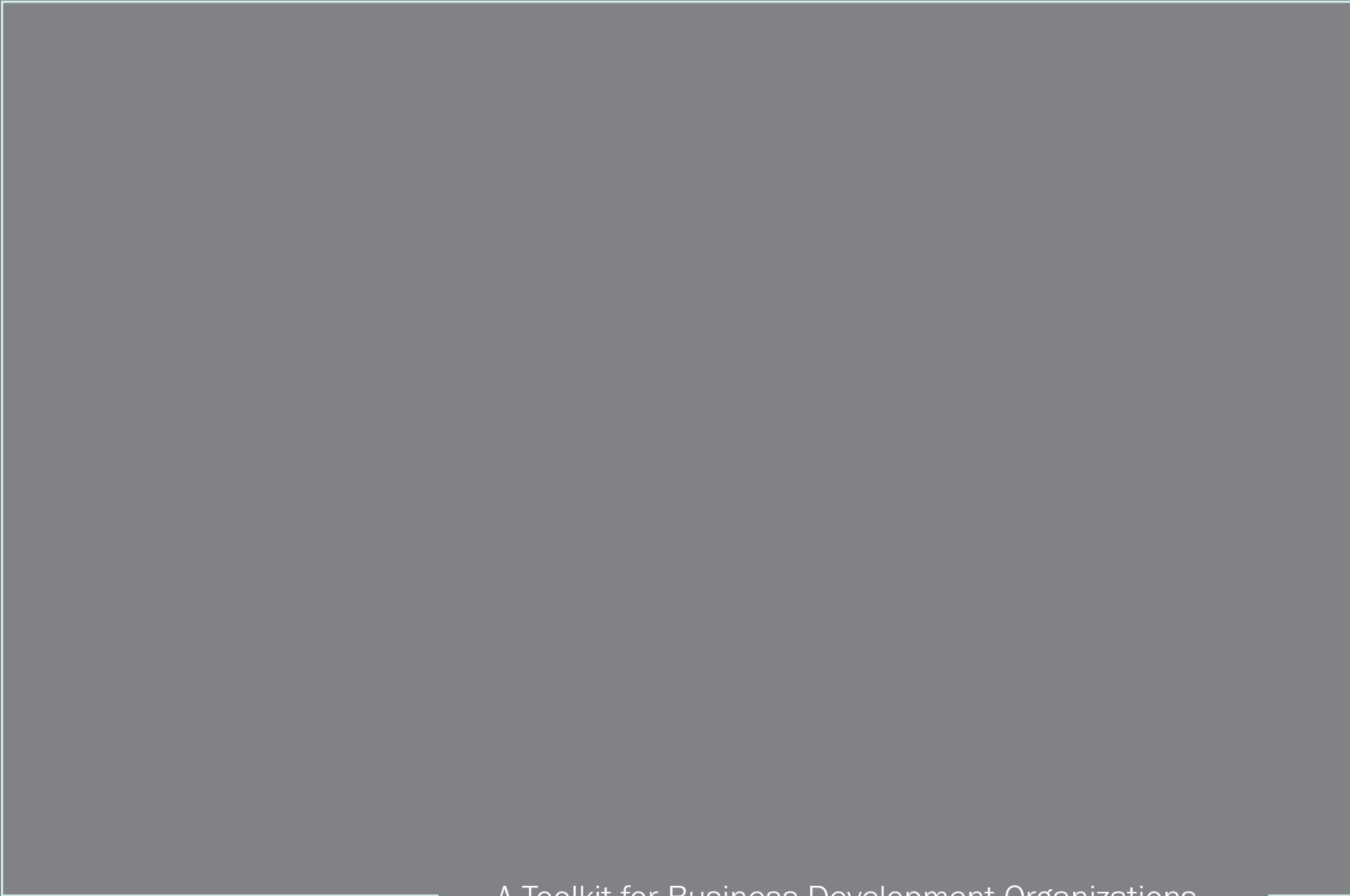
[Seeding Starting, and Scaling Local Branding Initiatives](#)

LISC and in/tend partnered to research and develop a report on relevant consumer and industry trends.

[2024 Consumer & Industry Trends](#)

More practitioner resources can be found in the LISC Resource Library.

[LISC Resource Library](#)



A Toolkit for Business Development Organizations

LSC