

BEST PRACTICES FOR OPERATING A FOOD BUSINESS OUT OF A SHARED SPACE

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Incubator and shared-use kitchens are co-working facilities where food processors share space and equipment in the production of their product. In either case, it is the business activity/product that is licensed, not the kitchen itself.



SHARED-USE KITCHEN

Co-working kitchen space with shared equipment rented for food production



INCUBATOR KITCHEN

Provides both shared space and equipment and includes business development services

Advantages to working out of a shared-use or incubator kitchen

- . Reduced overhead cost
- 2. Access to equipment that may be otherwise cost prohibitive
- Support to maintain compliance with food safety/production regulations
- 4. Network of support with like-minded entrepreneurs, kitchen staff, and direct access to industry experts.



Assessing a shared kitchen for your production

Before joining a shared-use or incubator kitchen, consider if the kitchen is a good fit for you and your business. Following are recommendations on how to assess a kitchen based on the physical space, support services, and culture:

- Will you have enough elbow room/table space?
- How many staff will be allowed to accompany you?
- Does the kitchen equipment provided meet your needs?
- Can you bring in your own equipment?
- Is parking for a food cart or trailer storage available?
- Is dry, cooler, and freezer storage available?
- Will the facility receive deliveries for you?
- Are there distribution services available?
- Are there marketing opportunities available?
- Does the cleanliness of the facility meet your standards?
- What are the facility rules?
- Is organic certification possible?
- Is gluten free/allergen free production possible?
- What support services are offered?
- Who is already using the facility? Is the culture a good fit?
- What are the contract terms?
- What is the cost of using the facility?
- What do other processors say about the facility? Good or bad reviews?

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Who is responsible for what?

To have clean, healthy and successful co-working spaces it is important to understand what you are responsible for maintaining and what the kitchen owner or operator is responsible for maintaining. Following are examples of how responsibilities are delegated at FEED Kitchens in Madison, Wisconsin.

Kitchen owner/operator

- 1. Overall cleanliness of the facility—inside and out
- 2. Pest control
- 3. Maintenance of the equipment
- 4. Ensuring all members are operating by the rules/regulations
- 5. Maintaining calendar/schedule
- 6. Inspecting all storage areas for proper storage of ingredients
- 7. Maintaining relationship with licensing authorities
- 8. Modeling behavior/culture expected in the facility

Business owner

- 1. Sanitizing your workspace and equipment prior to production
- 2. Cleaning your workspace and equipment after production
- 3. Storing your ingredients and products properly
- 4. Maintaining all production records
- 5. Maintaining licensing
- 6. Creating a recall plan
- 7. Communicating with the shared kitchen operator
- 8. Maintaining positive relationships with other producers

Key considerations

- Sanitarians/food inspectors can enter the premises at any time and can inspect any business or operation working out of a shared facility whether they are present or not.
- Anything you do in the facility affects all other operators, anything another operator does in the facility affects you.
- Some processing activities are not approved for shared kitchen spaces. For example, due to Hazard Analysis and Critical Control Points (HACCP) plan requirements the processing of meat, dairy, and juice may be impossible in a shared kitchen setting as there are too many critical factors that cannot be controlled.

If you have questions about shared-use or incubator kitchen facilities in your region, contact your local Small Business Development Center office.

Resources

For entrepreneurs

- UW-Madison, Extension Community Food Systems
 Food Business Development Program—partners with other
 Extension programs and state and national organizations to
 connect small-scale food and farm entrepreneurs with business
 services providers and research-based training.
 https://foodsystems.extension.wisc.edu/programs/foodbusiness-development
- Wisconsin Small Business Development Center Food Business Initiative—provides food entrepreneurs with the technical assistance necessary to create and grow financially viable businesses through:
 - 1. Providing training and resources to Wisconsin food entrepreneurs and the consultants who work with them, and
 - 2. Creating long-lasting one-on-one technical assistance and consulting relationships.

https://wisconsinsbdc.org/services/consulting/food-business

University of Nebraska National Food Entrepreneur
 Program—helps entrepreneurs through all the steps of creating a food business, from understanding the basics of creating a food business to individualized step-by-step assistance to the marketplace.

https://fpc.unl.edu/small_business

For kitchen facility managers/operators

- Food Corridor—their mission is to enable efficiency, growth, and innovation in local food by empowering shared-use kitchens and their food businesses. https://www.thefoodcorridor.com/resources
- Food Business Incubation Network—is a global network
 of food incubators, accelerators, and shared-use kitchens,
 developed in partnership with the USDA and the Rutgers Food
 Innovation Center.

https://inbia.org/services/foodbinmembership

