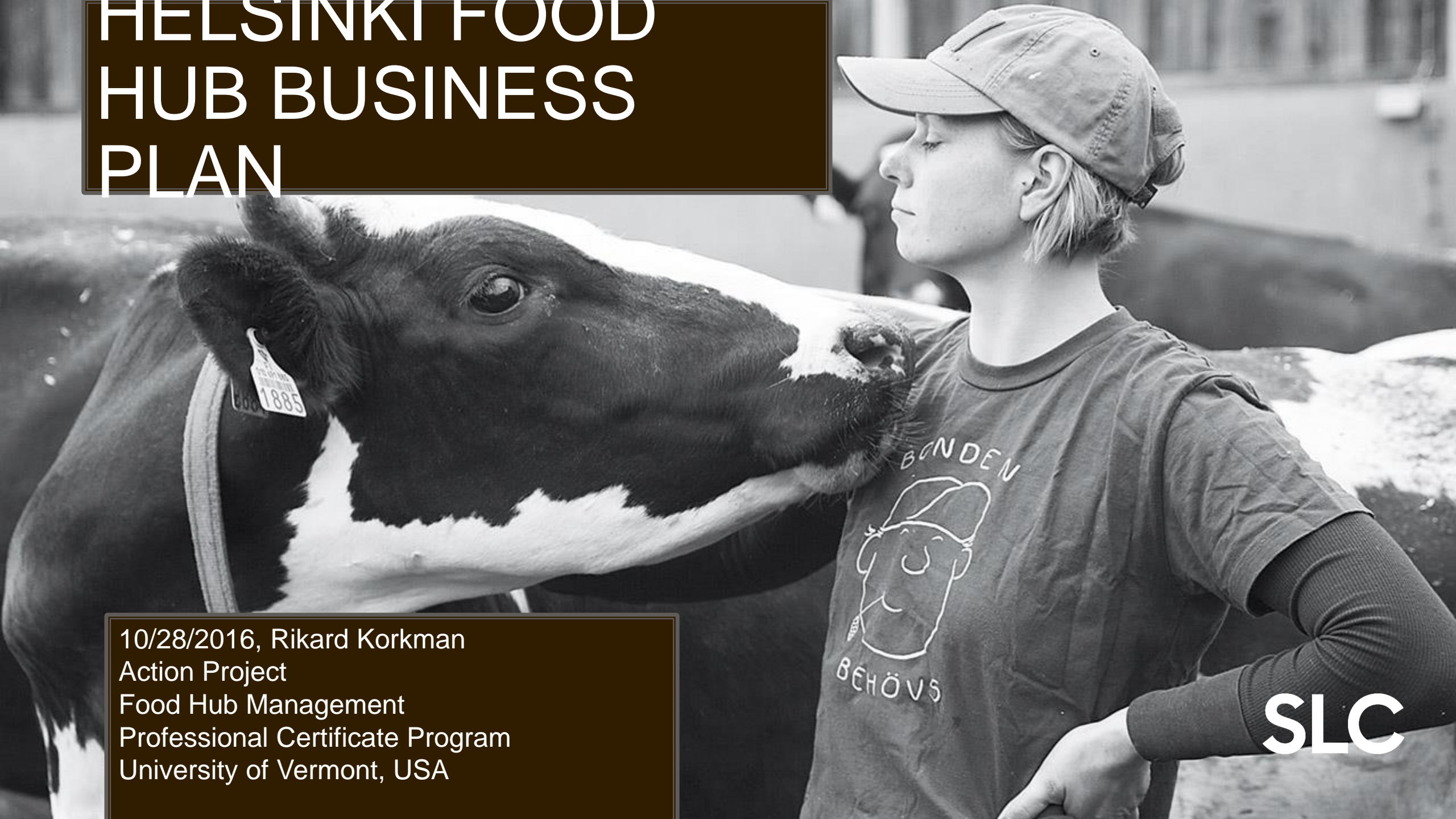


HELSINKI FOOD HUB BUSINESS PLAN



10/28/2016, Rikard Korkman
Action Project
Food Hub Management
Professional Certificate Program
University of Vermont, USA

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HERE WE ARE!



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LOCATION AND MARKET POTENTIAL

Households by Income Category 2013, Kirkkonummi

Low	2216
Middle	8262
High	4918
Total	15656

Households by Income Category 2013, Espoo

Low	17891
Middle	54644
High	39758
Total	115158

Highway 51,
16-21 000 vehicles
Per day at FH

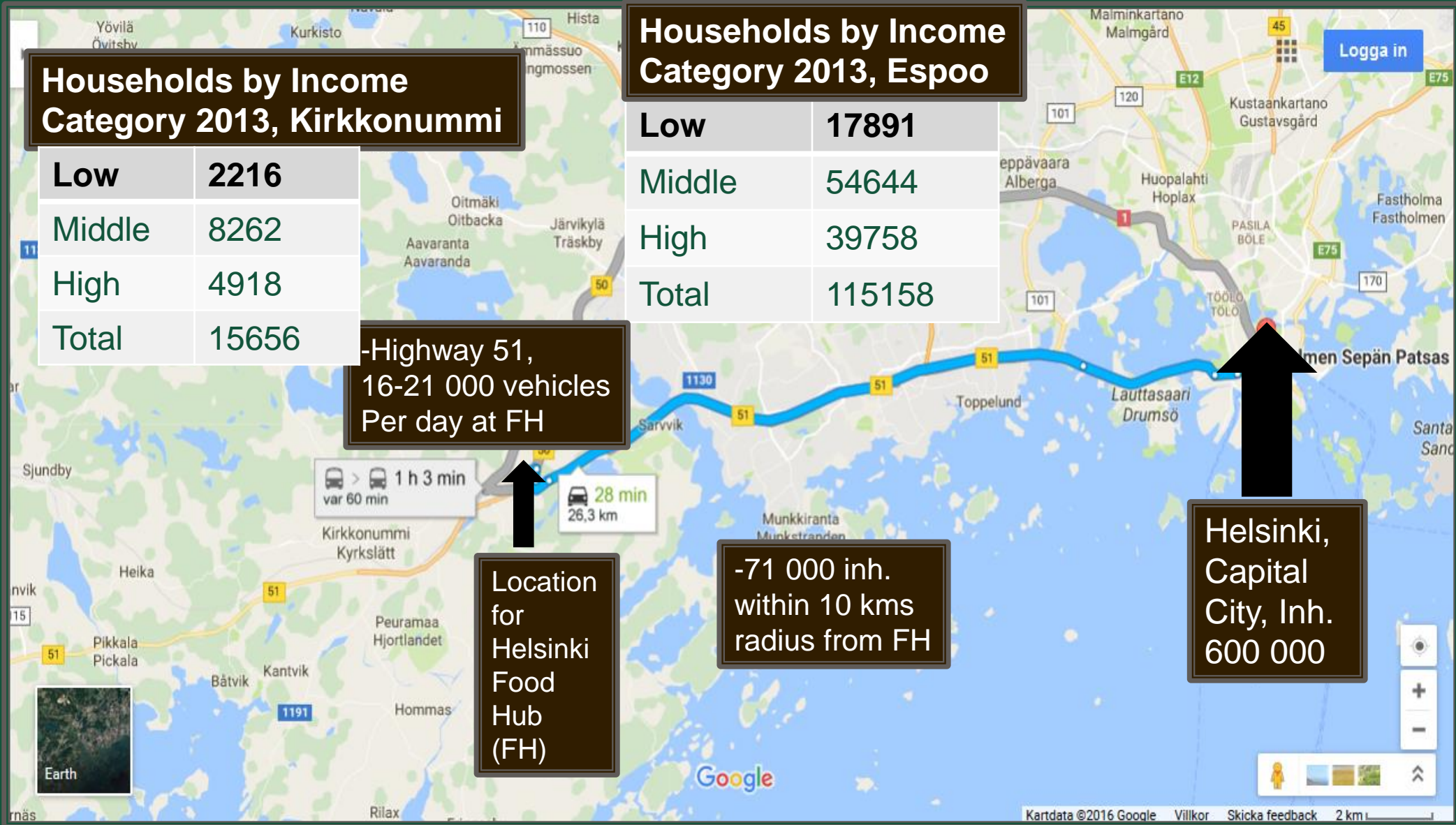
> 1 h 3 min
var 60 min

28 min
26,3 km

Location
for
Helsinki
Food
Hub
(FH)

-71 000 inh.
within 10 kms
radius from FH

Helsinki,
Capital
City, Inh.
600 000




TRENDS IN THE FOOD MARKET

- Growing interest in local, fresh food, new tastes and food culture
 - Seasonality, varieties, specialities etc. to enrich the food experience
- Growing community/consumer awareness about the importance of local food production
 - It is important to recreate the connection to the farmers and the land so that the consumers know where the food is coming from
- Digitalization and social media provides a powerful tool for producers and consumers to regain this (lost) connection

PROBLEM WE WANT TO SOLVE

- Current established business practices
 - Low profit margin, profit maximisation, unfair pricing and shortsighted contracts prevent growing supply of local food from small and middlesized producers to reach the customers through the conventional foodsystem
- Seasonality and non optimal locations
 - Seasonal farmers' markets and individual farmshops without optimal location and limited product supply do not provide a solution for year around supply of local food for a growing market



**”DESIGN A NEW WAY TO GET FOOD DIRECTLY
FROM THE PRODUCERS-
MISSION: WITHIN 5 YEARS WE WANT TO
PROVIDE 1000 FAMILIES IN THE HELSINKI
METROPOLITAN AREA WITH LOCAL FOOD
FROM THEIR OWN REGION”**

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BUSINESS CONCEPT (1)

- B2C Food Hub (FH): aggregation, marketing and distribution of local food
- Modern self-service cold storage facility (24/7) as a main pick up point for customers
- Product categories:
 - Meat, eggs, vegetables, potatoes, fruit, berries, bread and fish
- Long term (1 year) contract with prepayment
 - Minimum 700 euros/year, (VAT 14% incl.) for mutual benefit for both Local producers (LP:s) and consumers.
- In the start 14 deliveries/year at 1) fixed dates and times, but also for some fresh produce 2) announcements and additional deliveries to secure the freshness on short notice
- Consumers in power to influence development of local produce, product categories and product availability according to a crop planning process reflecting actual demand

BUSINESS CONCEPT (2)

- Business concept includes depending on product elements of risk sharing (yes/no), different production methods (organic/local)
 - Different alternatives for pickup (foodhub/join the harvest) which will be clearly labelled for the customers
- Producer prices his/her products and owns them until customer receives the products
 - Products and payments only run through the FH , FH Gross Profit margin 25 %
- Ownership in the FH is required by the users when they sign in for the first time
 - One time payment at the start; 1 share =150 euro) to underline the importance of the consumer initiative and element of risksharing in starting the operation.
 - Operation can easily be scaled up or down depending on the actual demand.
 - Customers from the year before have always precedence for next year to continue.
- Technology platform will be created to operate business system
 - Transactions and marketing

THE CYCLE OF SEASONS



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DISTRIBUTION MODEL

Post package delivery machine, Espoo



Pop up container store, Helsinki
Designed for all products



Suitable for certain products-
No cold storage

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MILESTONES

- 2017, spring; Start up phase
 - Summer 2017: Launch of the new concept and selling a limited amount of shares (50)
- 2018-2019; Food Hub (FH) operates 1 pick up point (customized refrigerated container)
 - 2018-2019, producers bring the products to the FH themselves, from 2020- FH takes care of the distributions from the foodhub to the additional pick up point
 - 2018-2019 , we calculate that the FH can be run by 1 person/1 day/week (the CEO).
- 2020-2022; Rented cold storage + 1 additional pick up point (same container as 2018-2019)



THANK YOU FOR YOUR ATTENTION!

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Robin Morris from Mad River
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#bondenbehövs