

Center for Business Innovation and Training

A Project Summary

Candy Institute/Food Chicago

a program of



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Project Overview

The Center for Labor and Community Research (CLCR), Chicago Community Ventures (CCV), and the Lawndale Business and Local Development Corporation (LBLDC) have formed a strategic partnership to create a Center for Business Innovation and Training (CBIT) in Chicago's North Lawndale community. The CBIT will nurture the professional growth of entrepreneurs and emerging food businesses, provide support to existing businesses in the food-manufacturing sector, and establish career path training programs and job links for the Lawndale and broader Chicago-area community. The CBIT will develop the business and training infrastructure needed for sustainable, long-term economic growth in the Lawndale community, the food manufacturing industry, and the Chicago metropolitan area in general.

The partnership intends to build-out and manage a 40,000-square-foot facility for the center. The facility currently consists of two buildings (with 28,000 square feet & 12,000 sq. ft., respectively) and a 72,000 sq. ft. parking lot that will accommodate approximately 162 cars. The CBIT will be developed and managed by the three partners, although the LBLDC has formal ownership of the site.

The partners will utilize the CBIT facility to put a combination of goals into action -- business incubation, business innovation, industry growth with a sector focus, and principles of stakeholder involvement and high-road business practices. The aim is to create a state-of-the-art commercial, shared-use food processing facility that will provide entrepreneurs, small businesses, the regional food manufacturing sector, and local community the skills, resources, and tools needed for long-term wealth-creation.

Provision of Business Innovation Services

The CBIT will attract businesses because it will offer:

- Shared space and equipment at an affordable price;
- Value-added innovation services as described below; and
- Consulting services customized for network companies at a reasonable cost.

Many view small-business centers as traditional incubators of value to small companies because they provide space and equipment at an affordable cost. This is certainly part of the Center, but not what makes it most interesting and compelling. At the heart of this project is our ability to be an *innovation* center for the industry starting with the companies that become part of the immediate network of the Center. There are currently very few accessible industry-specific services that support food manufacturers in this region. The key physical components of the Center include:

- A training center for food companies, including career-path training for incumbent and prospective employees
- A food processing technology center

- Wet and dry co-packing lines, and
- A test kitchen

In addition to offering typical small-business services, we have a network of consultants with the expertise and vast experience in helping companies adopt the most cutting-edge management and production processes to make Chicago businesses competitive on a global scale. A few of our current partners include Peter Rogers, former CEO of Brach Candy Company; Thornton-Pfleger, Inc., specializing in human resources, management development and organization design; Locker Associates, Inc., A New York-based economic consulting firm that specializes in corporate restructuring, buyouts, feasibility studies, developing business, and performing due diligence; and Allen Hershkowitz, Senior Scientist at the National Resource Defense Council who specializes in industrial ecology.

We will assist companies in becoming more innovative in their approach to:

- Product development
- Packaging
- Marketing
- Green technology
- Distribution
- Production
- Manufacturing networks, funding approaches, public relations, and
- Horizontal and vertical expansion and growth

A few specific examples of innovative services that will be offered include: connecting clients with food technology experts to improve the taste of their products; developing a global marketing and distribution strategy; assisting in the implementation of appropriate technology to decrease overhead costs; and sharing information with companies about the most cutting-edge human resource management techniques to improve their productivity and efficiency.

Sector Models

The CBIT partners have been persuaded by the industrial retention efforts modeled by companies in the Emilia-Romagna region of Northern Italy. Thousands of small- and medium-sized companies in the region have created a formalized network that promotes and supports the regional food industry. This has not only enabled individual companies to thrive, but has significantly boosted the regional economy. Jobs have been maintained and created through the retention of these companies and additional jobs have been created as new companies are encouraged to start and grow. The Garment Industry Development Corporation in New York City has adopted a similarly successful industry retention and growth strategy for the local garment industry. These successful models demonstrate the importance and effectiveness of interventions that help “brand” a region as a center for sector-specific business concentration and excellence.

Sector Focus: Chicago's Significant and Stable Food Manufacturing Industry

The food manufacturing industry has been chosen as the focus of the CBIT's activities because of its significant size, stability and potential growth, and its ability to provide opportunities for business creation and employment. CLCR already has a strategy in place for developing career paths and providing assistance to companies in the food manufacturing sector with its *Candy Institute/Food Chicago* program. The Candy Institute formally began in 1996 as a retention and development strategy for the large, concentrated confectionery manufacturing sector in the region. Since then, it has expanded its research and programmatic focus to include the broader food manufacturing sector through its Food Chicago program.

Food Chicago's research has determined that food manufacturing in Cook County alone is a significant part of the economy that includes 800 food companies, employs 45,000 workers, and has \$16.6 billion in sales (\$26.4 billion with the sales multiplier factored in) every year. Eight hundred new and replacement jobs open up every year and for every direct job in food manufacturing, another 1.5 jobs have been created to support the industry. The industry has a diverse workforce and a productivity rate that is 19% higher than the national average, and it includes large mass-producing manufacturers and a growing specialty food sector that features ethnic, organic, and artisan delicacies. The Chicago-area food manufacturing industry employs over 67,000 workers, making it the largest food industry cluster in the nation according to Harvard Business School. The City of Chicago ranks seventh in the nation in total food store sales. Another reason for the proposed CBIT focus on food manufacturing is that the industry has a relatively high pay scale, commanding \$13 - \$30 per hour for skilled jobs, and has 800 job openings every year. The average wage of Chicago Metropolitan Area food manufacturing workers is \$13.00 per hour, and \$28,000 per year, not including overtime pay. In contrast, Cook County retail workers average \$21,276 per year.

This sizeable food-manufacturing sector is a vital component of metropolitan Chicago's economy. The stability of the industry can be highlighted by recent U.S. statistics that show profit levels during the 2001 downturn averaging 1.9% for manufacturing generally, while food manufacturing commanded 14%. So, while the industry is currently still large and significant, deliberate efforts must be made to retain what is here. At the same time, efforts must be made to take advantage of the opportunities that exist to help the industry grow. (See Appendix 1 for more statistics about the Chicago region's significant food manufacturing sector).

The Growing Market for Specialty Foods

Another vital reason for choosing to focus the CBIT's activities around food manufacturing is the growing market for specialty foods in the Chicago area. While food manufacturing in the region still boasts a sizeable proportion of large plant processors, there is a growing specialty food sector, featuring ethnic, organic, gourmet, and artisan specialties. This growing niche market will provide abundant opportunities for the CBIT's entrepreneurs and small businesses to enter and establish themselves in the industry. According to the National Association for the Specialty Food Trade (NASFT), out of the 40 largest cities in the U.S., the City of Chicago has

the third largest market for quality, premium-priced specialty food products, behind New York and Los Angeles. The specialty foods industry generates retail revenues of almost \$39 billion a year in the United States and is averaging an annual growth rate of about seven percent.

According John Roberts, president of NASFT, small businesses have an important role to play in this growing lucrative market: “Opportunities continue to expand for specialty foods...as well as more consumers, more retailers, more products, more categories, more raw materials, and more profit. Small entities have played an important role in the food industry over the past 50 years, and they continue to play a big role...a small business is not at a disadvantage.”¹

The vitality of the Chicago market for food production -- both the specialty market and mass market -- and retail sales is both the context and opportunity for the creation of CBIT. It is important to understand the demand-side of this economic equation: food manufacturing in Chicago is big business, the demand for food products in general remains high, and the demand for specialty food products is increasing. This demand will create opportunities for workers and entrepreneurs in the industry.

¹ Roberts, John, “The Specialty Food Business: The Basics”, Presentation at the Chicago 2003 Fancy Foods Show (NASFT, NY, 2003).

Identifying the Need for the CBIT

The Lawndale Community

The facility that is to become the Center for Business Innovation and Training is located on the corner of Cermak and Kilbourn in North Lawndale.² The North Lawndale community, located on Chicago's Westside, is an economically distressed neighborhood, which has seen good jobs and economic activity shrink over the past 20 years. The community has a population of 41,768. Most of its citizens are African-American (94%), and small proportions are Hispanic (4.5%) and Caucasian (2.5%).³ The 2000 Census statistics below illustrate the challenges faced by North Lawndale community members:

- \$17,069 is the median household income as compared to Chicago's median household income of \$38,625.
- 44% of the citizens are living below the poverty line as compared to Chicago's 21%.
- 40% of the population aged 25 years and older has not attained a high school diploma.
- 26% of the community's citizens over the age of 16 are unemployed, as compared to the city's unemployment rate of 10%.

Another startling statistic is revealed in a report by The North Lawndale Employment Network and the Center for Impact Research which shows that in 2001 up to 57% of North Lawndale residents, 18 years of age and older, were on probation, parole, sentenced to prison, or incarcerated. The report stressed the need for increased public awareness about the links between crime and unemployment.⁴

The Westside of Chicago has traditionally been a stronghold of manufacturing jobs, but the community has experienced the same decline in manufacturing jobs as the City as a whole. The proportion of North Lawndale's labor force employed in the manufacturing industry is equal to Chicago's proportion at 13%.⁵ A greater proportion of the community's labor force is employed in the educational, social services, transportation, and utilities industries than is the broader Chicago labor force. Fewer North Lawndale residents hold management and professional occupations than Chicago's total residents, and more have lower-paying sales, service, and low-skilled production occupations. (See Appendix 2 for a detailed breakout of the occupations and industries employing North Lawndale's workforce.)

Lawndale is a community that is hurting. Its citizens' high unemployment rate, low education levels, and high criminal records condemn many to a life of poverty. The development of CBIT in the neighborhood offers a real economic boost. Although the local residents will probably not fill many of the entrepreneurial slots in the CBIT, they will fill some. Most importantly, CBIT's

² The Northeastern Illinois Planning Commission defines North Lawndale as Community Area Number 29. North Lawndale statistics used in this report are based on this geographic area.

³ U.S. Census Bureau, 2000.

⁴ Lisa McKean and Jody Raphael, *Drugs, Crime, and Consequences: Arrests and Incarceration in North Lawndale*, the Center for Impact Research and the North Lawndale Employment Network, 2002. Available at www.impactresearch.org, May 2003.

⁵ U.S. Census Bureau, 2000.

training programs and job links will prepare the community's citizens for occupational slots in Chicago's food manufacturing industry. This training is important because even though more than 1,000 jobs open up in this sector every year, accessing these vacancies is not easy. The most typical path to these jobs is through a personal connection with someone already in such a job. The de-industrialization in Lawndale in the past 20 years has greatly reduced these connections. CBIT will offer local residents not only connections to the openings in the industry but also access to the training programs that will give them the requisite skills for multi-level occupations.

Entrepreneurs

In the past few years, more than 100 local entrepreneurs in the Chicago region have expressed a need for a licensed food manufacturing facility to launch and grow their businesses. CLCR's original Chicago Cooperative Kitchen feasibility study, which surveyed these entrepreneurs and small start-up companies in the region in 1999, determined that the biggest hurdle faced by most was access to a licensed kitchen facility that would enable them to test and begin manufacturing their products.⁶ Most of these entrepreneurs were women and ethnic minorities who had found a pathway to business creation and ownership via food production but encountered obstacles in getting started. In particular, their access to a manufacturing facility, finance, and technical assistance was limited. Most also did not have the business links and networks that were needed to grow their businesses. CBIT will provide baking and wet product production lines, a test kitchen and business and financial services to meet these needs. As these entrepreneurs grow their enterprises, they are expected to graduate from the incubator and be fully prepared to potentially relocate in the neighborhood and employ local residents. Local residents will be poised to fill these positions through CBIT training programs.

Existing Businesses

As stated earlier, the Chicago metropolitan region is home to nearly 900 food manufacturers who have been a stable source of employment for many communities for decades, and even centuries. Eighty-four percent of these companies have fewer than 100 employees, making them a particularly vulnerable group in today's economy. They are facing increased global competition and rising costs of doing business locally. To mitigate these factors they need to find new ways of remaining vibrant in the marketplace. Marketplace success is usually brought about by innovation. Successful companies continuously innovate through new and refined products and services, packaging, markets, and methods of production. Small and medium sized companies often cannot achieve this alone. Industry networks, links with government and other resources and increased access to technical assistance and finance are some of the support systems needed to foster an innovative business environment. There are currently very few accessible industry-specific services that support food manufacturers in this region.

⁶ CLCR's *Manufacturing Workforce Development Report*, 2002.

Prospective and Incumbent Food Manufacturing Employees

The third target group whose needs are not currently being met are food-manufacturing workers, both incumbent and prospective. Metropolitan Chicago food processing companies have approximately 800 job openings that need to be filled every year. Unfortunately, the Chicago region offers no industry-specific training programs and few formal ways that prospective workers can be linked with these job openings. Further employment prospects will be added as CBIT incubates and grows its tenant companies. Workers in food manufacturing have several points of entry into the industry -- entry-level, semi-skilled, or skilled -- making it possible for many people to pursue good paying jobs with career options. Food Chicago's workforce development program, the *Food Chicago Career Path*, will offer access to occupational training in skilled jobs for new workers who include school leavers, dislocated workers, the chronically unemployed, and general job seekers. The program will also offer skills upgrading for incumbent workers so that they can advance to higher paying and better skilled jobs (See Appendix 3).

The lack of skilled candidates for job openings also negatively affects manufacturers. Remaining competitive is not easy and the industry is not immune to incentives to move offshore where there is cheaper labor, cheaper operating costs, and fewer regulations. A skilled and flexible workforce is a real business imperative for companies to stay in the region. Currently the 800 annual job openings are not being filled by highly qualified candidates because there is no public training system that prepares workers for these jobs. Nor is there a system beyond on-the-job training efforts of individual companies to upgrade the skills of incumbent workers. Anecdotally, companies have said that they have not installed advanced manufacturing equipment because they do not have the skilled workforce to operate it. Reasons they gave for the lack of skilled workers is that many of their older skilled workers are facing retirement in the next five years and there are no incumbent workers skilled enough to fill the advanced manufacturing job requirements. Companies have sometimes also chosen the low-road temptation to de-skill their workforce through the use of advanced technology rather than taking the high road and using these new technologies as opportunities to upgrade skills so that employees and employers together can meet new competitive and advanced technological challenges.

Because the CBIT will be rich with state-of-the-art food manufacturing equipment, it makes sense to offer a considerable amount of industry training at the site. This training is integral to the broader industry-wide strategy. Too often, training programs or business development programs are conducted in an isolated or marginal way. Our approach is the opposite -- we believe that there are many interrelated parts to an economic and community development strategy and that multiple components must be addressed simultaneously to have the desired impact.

Addressing the Needs

The Lawndale Community

Despite the Westside of Chicago's strong manufacturing tradition, the decline of manufacturing in the past 20 years has resulted in a significant loss in the number of solid paying, skilled factory jobs, reducing much of the community to an economically distressed level. With the establishment of the CBIT and its food manufacturing focus, there are real opportunities to re-establish a strong manufacturing workforce in the community. The Food Chicago Career Path will offer accredited training at the entry-level, the skilled technician level and the advanced technology level to members of the local community, as well as those in the surrounding area. It will also provide the essential links to the job openings in the industry – some of which will occur in the actual tenant companies in the CBIT.

The broader Lawndale community will also benefit from CBIT's economic activity. Bringing a successful business venture to the neighborhood will add significantly to other revitalizing efforts. CBIT will serve as a high-road model for business development, industry development and wealth creation. In addition to adding new companies to the community that graduate from CBIT's programs, CBIT will give Lawndale a competitive advantage in attracting other food companies to the neighborhood.

CBIT Benefits for Lawndale:

- New employment opportunities that emerge from successful small-business start-up and growth strategies
- New jobs that have family-supporting wages and benefits
- Skilled training opportunities for school leavers, dislocated workers, and other unemployed community members to enter the industry
- Advanced manufacturing skills training for both prospective and incumbent workers
- Job links to the broad food industry: manufacturing, culinary arts and food service
- Entrepreneurship opportunities of taking food products that celebrate what is unique and best about the community to market
- Revitalization of the community through new and increased business activity
- High-road sustainable community development in North Lawndale and the surrounding communities through a partnership of community, business, labor and government

Entrepreneurs

Food is big business. Even a small piece of the food business is a good target for entrepreneurs and small businesses. Finding a niche in the industry is an excellent way to enter the food industry and CBIT will provide the avenue to do this. Not only will it serve as a major vehicle for business creation, it is anticipated that it will serve as a significant mechanism for job growth. The 9,000 square foot Kitchen in the Denver Enterprise Center has created more than 1,000 jobs in the past 10 years --and this is absent an industry focus and broader strategy. CBIT will primarily serve as a fully-serviced incubator for entrepreneurs and small businesses in the

Chicago metropolitan area that require a licensed kitchen facility to manufacture or prepare their food products. CBIT facilities will include: state-of-the-art commercial, shared-use, licensed food production and co-packing facilities for baked goods and wet products such as sauces and salsas; a test kitchen for product development; storage space; office space for tenants; a computing and advanced technology center; training facilities, shared office equipment such as photocopier and fax; and possibly a retail outlet. (See Appendix 4.)

While the physical facility will remove a major hurdle for many food entrepreneurs, the real worth of this entity will be in the “value-added” services it will provide. The tenant entrepreneurs will not just be sharing real estate, but will be availing themselves of industry-specific expertise and resources that will enhance the probability of their success. While access to the licensed commercial kitchen is vital, the real components of successful business incubation and development lie in the industry-specific support services, resources, and financing and technical expertise to be offered to fledgling businesses. These value-added services will include industry-specific expert advice in food product development, labeling, packaging, marketing and distribution. Links to business assistance and sources for capital will be provided by our own partners as well as through strategic partnerships with other service providers. Small business operations training, management training and employee training, in addition to formal industry networks and opportunities for co-purchasing merchandising and joint ventures will be offered by CBIT.

CBIT benefits for entrepreneurs and small businesses include:

- Access to a licensed and fully equipped kitchen and co-packing facility without the prohibitive costs of building and equipping their own kitchen
- Access to training, capital and technical assistance - the three essential ingredients to the success and growth of any business
- Access to equipment on a flexible time-share basis determined by the need of the entrepreneurs. As their businesses grow their time-share in using the facility can be increased
- Access to company-mentors and a network of food suppliers, manufacturers and distributors
- Opportunities for local ownership of businesses including employee and cooperative ownership alternatives if desired
- Access to a safe workplaces, with high-road and environmentally sound business practices
- Access to qualified employees from the community (via the Food Chicago Career Path)

Existing Businesses

Existing food manufacturers, most of whom are small and medium in size, mostly work in isolation of each other, and do not take advantage of industry resources that might be beneficial to them. Establishing an industry-specific supplier-manufacturer-distributor-resource network will be one of the ways to help these companies operate more efficiently and effectively. This network will also serve as the forum for developing a climate for innovation in the industry. Large companies successfully innovate much of the time and are successful because they do so. Smaller companies need assistance to do this. CBIT will be well placed to create such an industry network, cultivate an innovative business environment and provide specific assistance to aid innovation. The provision of technical assistance, advanced technology, research and financing is aimed at fostering the creativity and innovation required for companies to remain vibrant.

Prospective and Incumbent Food Manufacturing Employees

While the entrepreneurial food manufacturing operations and the supporting services will be a major focus of CBIT, the training programs that will be offered are equally important. In our broad sectoral strategy, business development and training are inextricably linked. The training will have two major thrusts: (1) skills development for entrepreneurship and business ownership, and (2) employee training for entry and advancement in the food manufacturing industry. Essentially, training at CBIT will include:

1. Business Operations Training

These courses will be designed for business owners so that they may be able to optimize their business operations. Participating entrepreneurs and business owners will be able to avail themselves of instruction in: business management, accounting, strategic planning, marketing, legalities, financing, succession planning, and other topics. A number of these courses will be conducted by CCV and LBLDC.

2. Entrepreneurship Training

Students and other community members who are contemplating starting their own businesses can take courses that will help them develop and test their concepts; research and analyze the market for their products; and develop a business plan. Emphasis will be placed on efforts to create companies of size, not just self-employment ventures.

3. Food Chicago Career Path

Select courses that comprise the Food Chicago Career Path will be offered at this site. This industry-wide career path will offer multi-level training to incumbent and prospective workers for the food industry. Career path courses will include technical instruction such as Introduction to Manufacturing, Food Processing, Maintenance Mechanics, Advanced Manufacturing Processes and will also include such courses as Vocational English-As-A-Second Language, Occupational Health and Safety, and Sanitation and Supervision. The courses will subscribe to

skills standards and be certified by the industry and educational authorities. This certification will enable the graduates much greater job portability and advancement.

4. Education-to-Careers

The training programs offered by CBIT will be linked with programs at selected local high schools so that students can plan their careers in food manufacturing.

5. Placement Services

At the completion of training, CBIT will work with sector businesses to ensure that training program graduates are placed in appropriate jobs. CBIT's role in job recruitment and placement will be an integral part of ensuring that local community members benefit from these sector initiatives.

CBIT's training programs will provide regional food processors with employees skilled on multiple levels to work effectively and efficiently in their companies. Food Chicago's Career Path implemented at CBIT will also provide for the upgrading of skills of incumbent workers. Clearly, establishing a region-wide training system is a much more efficient way to use limited public and private training dollars than allocating available funds only to customized training programs on a company-by-company basis. Given that 75% of all food processors have fewer than 50 employees, and that most food processors only provide on-the-job training and no customized training, there are many employees who will never have the chance to upgrade their skills and advance in their jobs. Employers alone should not have to carry the full responsibility of paying for and providing training. Public training funds need to support the education and training of workers and prospective workers but need to be distributed in such a way that maximizes the benefit for the public good. A systems-building approach to workforce development optimizes the benefit for all. As seen in a number of industries, companies often flock to regions in which they have the training infrastructure and candidate pool that enhances their success. We want to make Chicago such a region for food manufacturers, building on the strong foundation we already have.

CBIT Benefits to the Chicago-area Economy:

- New business creation, offering self-sufficiency and wealth creation to new players in the market
- Creation of new jobs through business creation and business growth
- Increased percentage of food dollars circulating in the local economy
- Provision of a facility that has a broad metropolitan reach
- Promotion and expansion of the local food manufacturing sector as an industry anchor in the region
- Strengthening of local infrastructure to support the industry, especially in workforce development
- Creation and maintenance of a pool of skilled workers who can meet industry needs
- Shared private-public investment in industry development and workforce development

Essentially, CBIT will benefit: 1) communities: through increased employment opportunities, training opportunities and increased local economic activity; 2) emerging and existing businesses: through the provision of physical resources, professional and technical services and a supportive infrastructure; and 3) the local economy: through new business creation and development, increased employment for residents and the building of a stronger business infrastructure.

Project Principles

Broad and Integrated Strategy

CBIT partners all share a vision that is broad, complex, and integrated. We are implementing workforce development, working with entrepreneurs, and implementing business development in an interrelated way -- because all three are part of our sectoral strategy. We want to effect systemic change and community change on a large scale, and we believe that we can achieve this at CBIT.

The food manufacturing “kitchen incubator” that will form the basis of CBIT will have multiple goals and constituencies. Firstly, it will nurture emerging and young companies with on-site processing facilities, specific business assistance and access to finance. Secondly, these entrepreneurs and small businesses will form part of the food manufacturing network that will be serviced by the Food Chicago program that provides more extensive services to the industry. These services will utilize development tools such as: supplier-manufacturer-distributor networks, advanced technology, infrastructure support, workforce recruitment and placement, workforce development, collaborative ventures, expansion of markets, technical support, successorship planning, resource development, and industry advocacy.

CBIT will intentionally facilitate community members who have not had easy access to business creation and ownership. Likewise, the Food Chicago Career Path will intentionally serve the local community by providing the skills to enter and advance in the industry. There is no doubt that a skilled workforce is also a business imperative for companies. If the Chicago region is to retain its vital food manufacturing industry, attention must be given to addressing this business need.

Stakeholder Participation

The CBIT strategy will involve all stakeholders in the development of programs to serve the sector: large and small companies, entrepreneurs and emerging businesses, unions and workers, government, educational institutions, service providers, and communities. A cluster approach enables issues to be addressed in a collective way and also allows for medium- and long-term strategic planning for the industry, rather than short-term reactive solutions. It offers real prospects for systemic change and impact rather than only marginal, small-scale improvements. Business creation and development is not just promoted for the benefit of individual businesses but also for the revitalization and long-term sustainability of the community.

Promotion of High Road Practices

CBIT’s economic and community development strategy will be based on “high road” principles that promote responsible corporate leadership and stewardship; reflect a long-term commitment to their core business; recognize the legitimate concerns and roles of other stakeholders; pay workers fairly for their performance; encourage participation and cooperation by employees; and demonstrate development that is economically, environmentally, and socially sustainable.

Project Partners

The Center for Labor and Community Research (CLCR)

CLCR is a not for profit research and consultancy organization that focuses on industrial retention to sustain and grow the Chicago metropolitan economy for the purpose of providing skilled and good paying jobs to the local community. Founded in 1982 in reaction to the wave of plant closings that were taking place in Chicago, the organization was formed to provide the research and analysis critical to understanding why these businesses were closing, and to develop creative and effective proactive strategies to prevent further closings and promote the economic sustainability of businesses and communities. The *Candy Institute* was created as one such strategy aimed at retaining the 100-plus candy companies and the (then) 13,000 jobs in the region. The strategy has now broadened to the *Food Chicago* initiative embracing the 1,000 food manufacturers and 50,000 workers in the region. The two major components of Food Chicago are the development of a Food Chicago Career Path for prospective and incumbent workers and ---CBIT as a business and job creation initiative.

Chicago Community Ventures (CCV)

CCV has developed insightful, relevant and cost effective programming designed to assist small businesses as they grow and impact low-income communities. During the past several years CCV has provided business advisory services to over 500 small businesses and prospective entrepreneurs in the Chicago area, and has helped source over \$12 million in debt financing. CCV also features a culturally diverse team that has over 25 years of combined experience in finance, law, consulting, information technology and domestic and international economic development. By combining intellectual capital, leveraged resources and organizational commitment, CCV provides services that deliver sustainable economic impacts to Chicago's underserved communities and markets.

The Lawndale Business and Local Development Corporation (LBLDC)

Since its inception in 1985, the mission of LBLDC has been to further the economic development of the North Lawndale community by promoting and assisting the maintenance, development, establishment, and expansion of business concerns in the community, while providing increased educational and employment opportunities for its residents.

As one organization in the Local Industrial Retention Initiative (L.I.R.I), which is supported by the City of Chicago, LBLDC links commercial and industrial businesses in North Lawndale with services and programs they may seek from the City of Chicago, State, County and Federal agencies.

One of the building blocks for revitalizing a community is a successful and strong industrial and commercial base. Commerce and manufacturing in a community create jobs and provide economic and social benefits to the neighborhood. In the continued rebirth of the North Lawndale community, LBLDC is the only organization in the community with the track record

and experience in attracting, maintaining and harnessing commercial and industrial development in the North Lawndale Community.

Pre- Development Staffing and Timeline

Staff

Project Manager

Administration

Consultants (technical, business plan, etc)

Architect

Legal

General Contractor

Timeline

Tasks	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Pre-development fund raising	X	X	X	X	X	X	X	X	
Market demand and analysis	X	X	X	X					
Business plan			X	X	X				
Engineering & architectural	X	X	X	X	X	X	X	X	
Community participation	X	X	X	X	X	X	X	X	
Legal (eg 501c3)				X	X	X			

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Appendix 1: Food Manufacturing in the Chicago Region⁷

Metropolitan Chicago's food manufacturing industry is the largest in the nation in terms of the number of people employed. In 2000, the nine-county metropolitan area employed 67,711 workers in 867 companies. Because of this, it is recognized as the number-one U.S. food manufacturing "cluster", offering food companies located in the area competitive advantages because of the availability of industry-specific resources.

Job Openings: Approximately 800 employment vacancies open up in the industry every year in the region. Jobs range from entry-level to highly advanced technical and supervisory positions.

High Employment Multiplier: The employment multiplier for this industry is 2.58, which means that for every food manufacturing job, another 1.58 jobs are created in businesses that supply and support food manufacturing.

Good Wages: The average wage of all Cook County food manufacturing workers is \$13.00 per hour, and \$28,000 per year, not including overtime pay. In contrast, Cook County retail workers average \$21,276 per year.

Diverse Worker Demographics: Approximately 46% of Chicago-area food manufacturing workers are white (many of whom being Eastern European), 39% are Hispanic, 13% are African-American, and 2% are Asian. Women account for 51% of the workers.

Worker Representation: Approximately one-third of food processing workers are represented by organized labor. Workers are represented by the Bakery, Confectionery, Tobacco Workers and Grainmillers Union, the Teamsters, the United Food and Commercial Workers Union and the Service International Employees Union.

Company Size: Most Chicago-area food companies are small, with 77% of the companies employing fewer than 50 workers. Because small firms sometimes lack the resources needed to remain competitive in a constantly changing economy, this finding underscores the importance of programs designed to help small firms remain profitable and competitive.

High Volume of Sales: The food manufacturing industry is an important component of the region's economy; Cook County's food manufacturing industry alone contributes \$16.6 billion to the local economy. The industry in the region is 19% more productive in terms of average shipments per worker hour than the national food manufacturing industry.

Benefits to the Local Economy: The food manufacturing industry generates \$2.6 billion in interest paid, rents, profits and depreciation. Total wages and salaries paid by food manufacturers in Cook County is \$1.9 billion and a total of \$4.2 billion is paid to all workers who provide services and supplies to these manufacturers.

⁷ Center for Labor & Community Research, *Chicago Metropolitan Area Food Manufacturing Sector Profile*, (Chicago, May 2003).

Appendix 2: The North Lawndale Community

Occupations Held by North Lawndale and Total Chicago Labor Force, 2000⁸

Occupation	North Lawndale	Chicago
Sales and office occupations	29%	27%
Service occupations	23%	17%
Production, transportation, and material moving occupations	22%	16%
Management, professional, and related Occupations	22%	34%
Construction, extraction, and maintenance Occupations	5%	7%

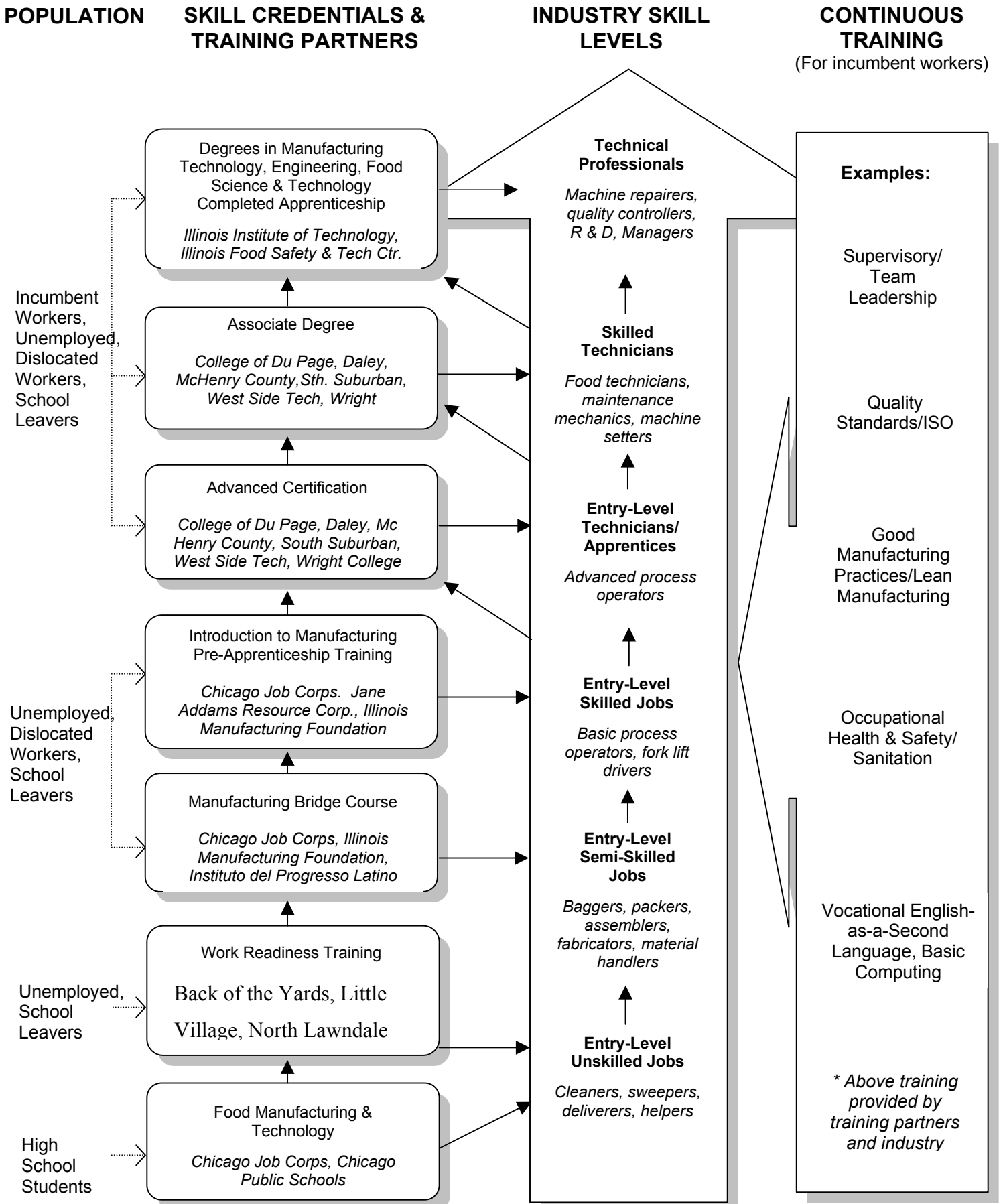
Industries Employing the Labor Force of North Lawndale and Chicago, 2000⁹

Industry	North Lawndale	Chicago
Educational, health and social services	24%	19%
Manufacturing	13%	13%
Transportation and warehousing, and utilities	11%	7%
Retail trade	10%	9%
Professional, scientific, management, administrative, and waste management Services	10%	14%
Finance, insurance, real estate and rental and leasing	7%	9%
Arts, entertainment, recreation, accommodation and food services	7%	9%
Public administration	5%	5%
Other services (except public administration)	4%	5%
Construction	3%	4%
Wholesale trade	3%	3%
Information	2%	3%
Agriculture, forestry, fishing and hunting, and mining	0%	.1%

⁸ U.S. Census Bureau, 2000.

⁹ Ibid.

Appendix 3: Food Chicago Career Path Diagram



* Based on Davis Jenkins & Tom DuBois, Presentation to CWB Service Delivery Integration Committee, Feb. 7, 2002.

Appendix 4: CBIT's Cooperative Kitchen

