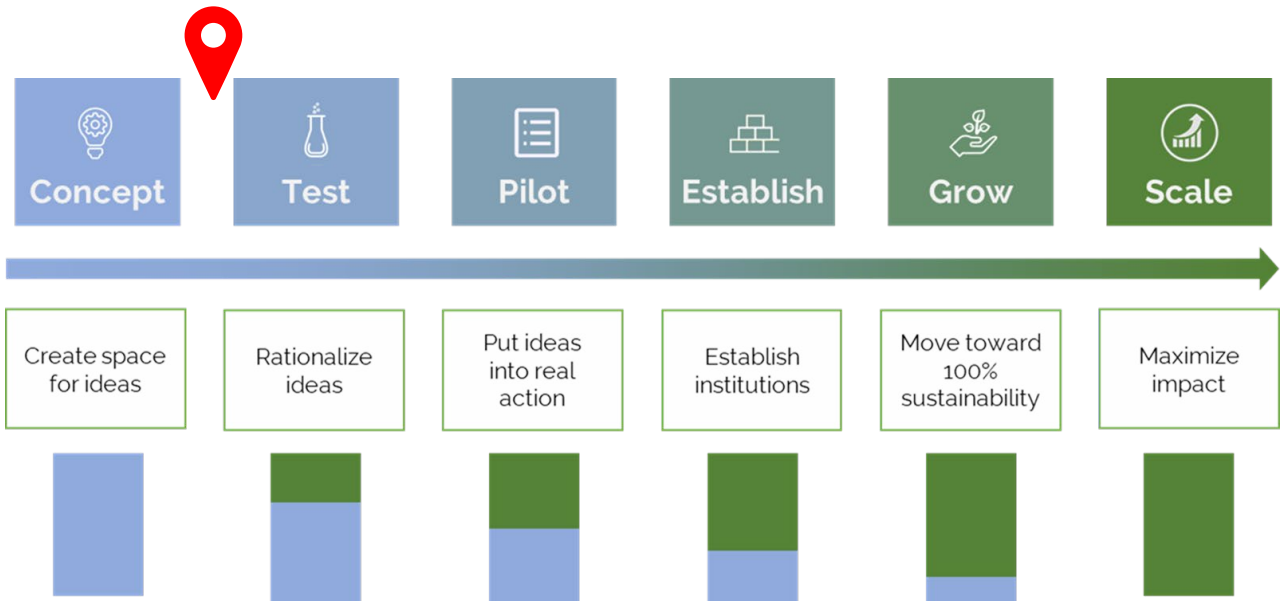
SUSTAIN INITIATIVE

Concept Team Report

Avedis Cohort 1

June 23, 2020



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COMMUNITY MARKET of Pottawatomie County

Powered by Avedis Foundation I Delivered by Impact City®

Executive Director
Daniel Matthews

Launch Team

Tim Burg
Jason Draper
Sarah Haselwood
Sonya McDaniel
Rachael Melot

Concept Team

John Bobb-Semple
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Jeff Madison
Sonya McDaniel
Mindy Mew-Palmer
Tracy Meeuwsen
Rachel Melot
Angi Mohr
Brian Nave
Taylor Shekarabi
Will Smallwood
April Stobbe
Rebekah White

Sustainability Target: $500,000

Final Concepts

1. Shared Kitchen
2. Workforce Training & Placement
3. Owned Farm/Crop Share

Ideas Explored

1. Staffing Agency – difficult to generate revenue needed. Transitioned to workforce training/placement concept.

CUSTOMIZED WORK

Developed comprehensive financial model for shared kitchen

Produced financial model and conducted extensive industry best practices research for workforce concept

Assisted team with farm/crop share concept

Produced 2-page agency fact sheet for external use

PARTNER OVERVIEW: Community Market

Agency Leadership

Daniel Matthews, Executive Director

April Stobbe, Board President
Kelli Adams
Phyllis Bolt
Jason Draper
Cami Engles
David Henry
Sonya McDaniel
Annie Minnigh
Mashell Sourjohn
Carmen Wolf
George Wright

Mission

Feeding the hungry in the community and providing connections that enable lasting change

Core Beliefs

We believe in **fighting hunger while feeding hope**.
We believe every guest deserves to be treated with **dignity**.
We believe that having food directly impacts **self-worth.**

Clients/Eligibility

- Must meet income guidelines.
- Must be a resident of Pottawatomie County.
- Services are offered at no cost to clients.

Brief History/Overview

Community Market of Pottawatomie County opened its doors in 2016 in response to research from AARP that found that nearly half of all County residents experienced or knew someone who had experienced food insecurity. More than hunger, food insecurity means that a family lacks consistent access to food to live a healthy, active life.

The Market looks like your neighborhood grocery store, with guests filling their carts with the foods they enjoy. Healthy choices are encouraged. A full-scale demonstration kitchen in the Market allows volunteers to create healthy meals using the fresh produce available to guests. **In 2018, our guests took home over 500,000 pounds of fresh produce.**

Community Market is a *food resource center*, complementing access to healthy foods with educational programming and connections to community resources. In the three years since opening our doors, we've become the largest client-facing food service agency in Oklahoma.

Last year, adults in need visited the Market more than 73,000 times taking home 2.1 million pounds of food. **More importantly, they left with hope, knowing their community cares for and believes in them.**

Since opening its doors, 32,000 senior citizens have turned to Community Market filling their shopping carts with healthy choices.

Programs

Food Choice offers individuals the opportunity to select the foods they enjoy. Points are distributed based on financial need and household size. Each item in the Market is assigned a points value, with healthy foods priced at a lower value to encourage their selection. In a typical grocery store setting, healthy foods are often a luxury for those on a limited income, forcing families to make unhealthy choices.

Food Learn programming is delivered with the help of an education coordinator who provides classes twice per week. Healthy foods are prepared in the

store utilizing the demonstration kitchen, and healthy recipes are available through the website.

Food Plus targets senior citizens, providing supplemental food packages. Included are foods high in protein and low in sugar. Volunteers carefully package these foods so that bags are lightweight and can be carried easily by guests.

Kid's Health is a mix of educational programming and direct service delivery. School-age kids participate in field trips to the school. Community Market provides food and snacks for food insecure children as part of the Summer Feeding program.

Food Fresh is a hands-on education program centered around onsite and offsite community gardens. All produce is distributed through the Market.

Volunteers play a crucial role in the store and behind the scenes in our warehouse. Each month we receive 120,000 pounds of food. Volunteers help us manage this high volume of inventory by stocking shelves and loading and unloading trucks. Volunteers greet guests and walk them through the intake process. In addition, they often provide case management services, teach classes, and assist guests with their shopping experience. **Last year these dedicated individuals donated 34,000 volunteer hours!**

Financial Information/Assets

Annual Budget: $350,000

- 4.5 full-time employees
- 10,000 Square-foot facility located on a large campus complete with a community garden and ample space for mobile programming (i.e. dental services and an infant crisis truck)

Key Demographics

Based on the program year ending December 2018:

- 73,0000 guests in the Market (includes families served more than one time)
- 2.1 million pounds of food distributed, including 500,000 pounds of fresh produce
- 22% of all Pottawatomie County residents received services
- 9.9% of all Seminole County residents received services

Additional Information/Resources

Community Market serves as a **distribution hub** for the Regional Food Bank of Oklahoma, providing easier access to food for local food pantries.

50% of Pottawatomie County residents lack a full-service grocery store within 20 miles of their home. Food options are limited to convenience stores and gas stations.

Video: About Community Market

Food Bank vs. Food Pantry

Food Insecurity in America

Contact Information

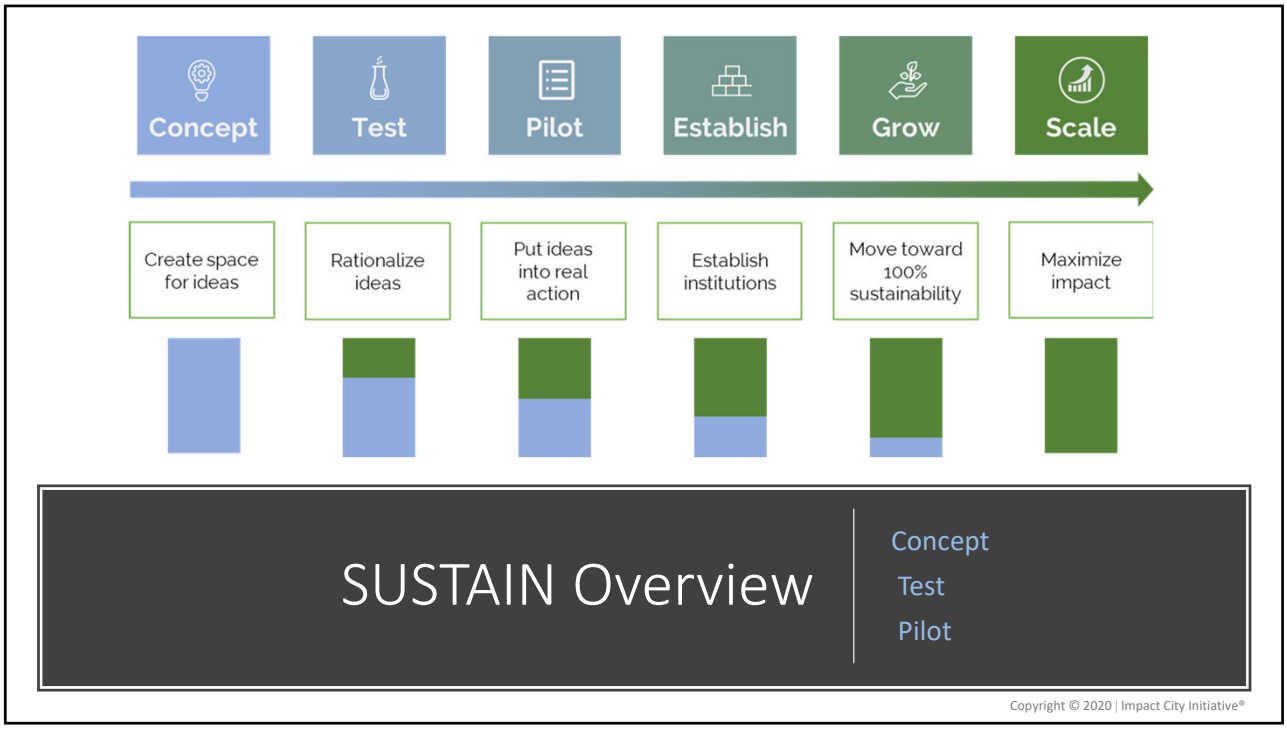
P.O. Box 1694
Shawnee, OK 74802

405.788.4957

ourcommunitymarket.org

Social Media

ourcommunitymarketofpottawatomiecounty



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Each of the first three phases serves a unique role.

	Concept	Test	Pilot
Sense	Create ideas	Validate idea	Act on idea
Objective	Develop three ideas that when at scale, could generate the funds needed for financial sustainability.	Test key assumptions to determine if the idea is truly viable and an investment is warranted.	Operationalize key components of the idea to learn, gain experience, build relationships, refine, and prepare for a fully established business.
Style	Creativity in what is possible. Winding path. No operational components.	Creativity in what/how to validate. More focused and structured. Few operational components.	Quite structured. Strictly focused. Highly operational.
Team	Broad set of skills across team	Domain knowledge, specialized skills	Targeted, field-specific expertise

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2

Each phase targets specific outcomes.

Concept

- ✓ Identify sustainability requirement.
- ✓ Develop three ideas that each are sustainable, testable, supportable, and achievable.
- ✓ Surface basic no-go obstacles that would prevent an idea from being feasible.
- ✓ Develop and document basic information in 6 key areas: product/service definition, market, competition, financial, resources, support.

Test

- ✓ Confirm the top idea to test.
- ✓ Develop a comprehensive list of questions, barriers, priorities, design decisions, restrictions, advantages.
- ✓ Prioritize the list based on feasibility, financials, risk, impact/alignment, timeframe.
- ✓ Develop and execute tests for each list item.
- ✓ Iterate or move to new idea as needed.

Pilot

- ✓ Design a method of piloting the business on a limited scale: size, time, scale, etc.
- ✓ Implement the pilot and perform sustained execution, adjusting as needed.
- ✓ Identify financing requirements.
- ✓ Develop business plan and key operating documents.
- ✓ Raise capital and launch business.

3

Each phase has clearly defined deliverables that signify completion.

Concept

- ✓ Estimate of unit economics
- ✓ Basic sense of market demand
- ✓ Basic design of product/service
- ✓ General competition survey
- ✓ General idea of investment range
- ✓ Strong constituency support

Test

- ✓ Costs fully determined
- ✓ All legal/licensing requirements fully validated
- ✓ Key vendors verified
- ✓ Key partners verified
- ✓ "Showstoppers" ruled out
- ✓ Direct consumer interest data obtained

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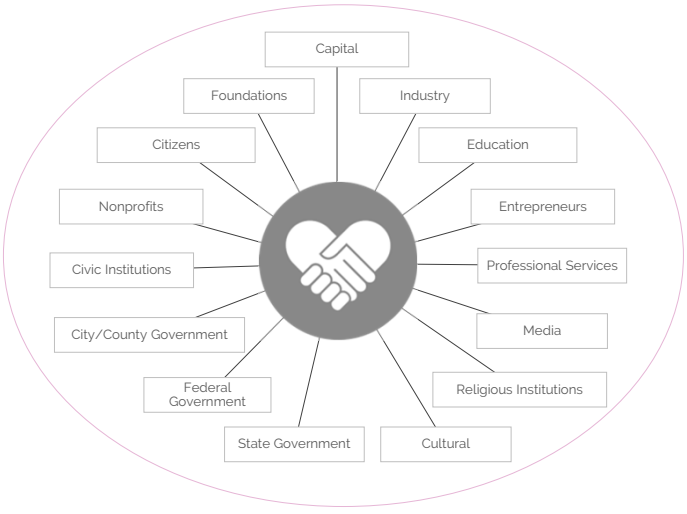
Concept Phase - Launch Team

Creating Your Concept Team: **Recruiting Guidelines**

Use this document as a guideline to help you complete your list of potential Concept Team members for your nonprofit.

1

REMAINING SECTIONS OF RECRUITING GUIDELINES REDACTED FOR CONFIDENTIALITY



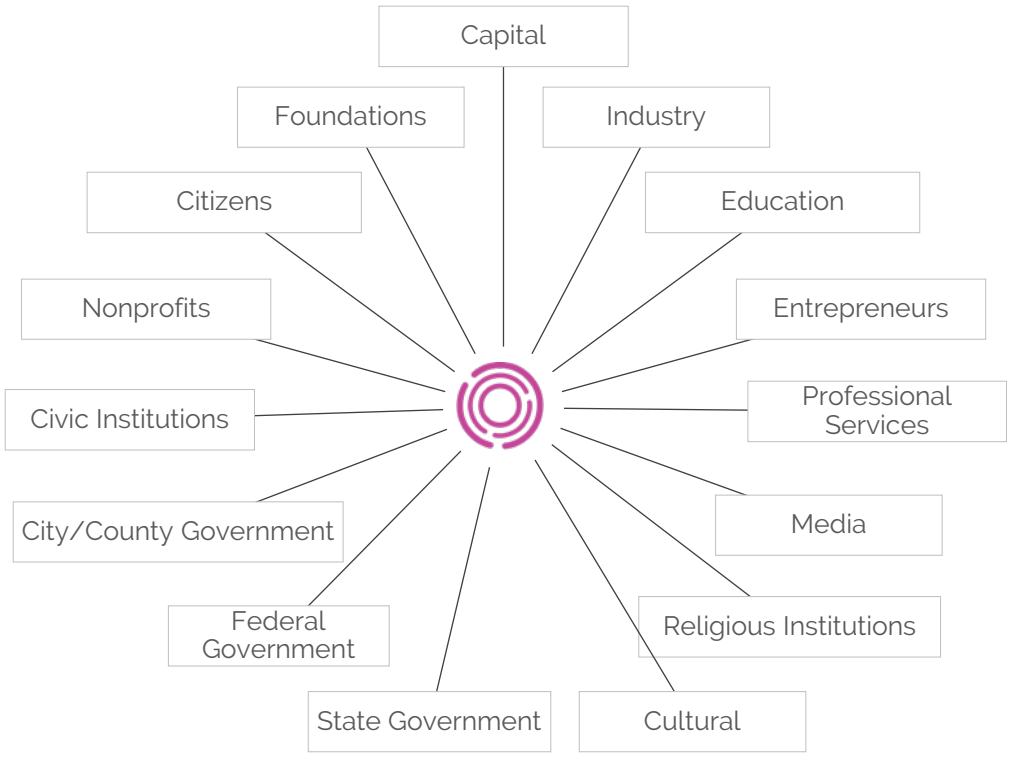
"Map"

Remember to think through all the pillars of your city, county, region, state, and country.

2

COMMUNITY MARKET of Pottawatomie County

Value Map



Core Constituencies

- Blue Zones
- Board members
- Churches
- City
- Community Service/Inkind giving by companies
- Corporations
- Donors
- Education/ providers
- Food banks
- Food insecure
- Food suppliers
- Foodies
- Foundations
- Growers
- Hospitals
- Marketing/ Media
- Other nonprofits
- Potential Clients
- Restaurants
- Schools
- South Central Staff
- Transporters
- Tribe Members
- Utility Co. (what it costs to run the Market)
- Vendors
- Volunteers
- Walmart stores

SUSTAINAIBLITY OBJECTIVE

To create **three qualifying** sustainability concepts that when at scale, could generate a minimum of **$500,000 for Community Market**.

QUALIFIYING IDEA CRITERIA

SUSTAINABLE

potential for long-term sustainability for the program

Could this idea generate enough revenue to fully cover expenses?

TESTABLE

potential to pass through test and pilot phases

Can the idea be tested for a reasonable cost? Could it be practically piloted?

SUPPORTABLE

supported by a committed constituency in the organization

Who are committed constituents? How is it rolled forward?

Does this idea have the support of all the core constituencies?

ACHIEVABLE

revenue within two years
improving margins in five years
break-even in seven years
scale within ten years

Does the idea take into account the true costs of the program?

Does it scale practically - does revenue outpace cost as it grows?

Concept Summary: Shared-use Kitchen

Concept is: ✔ Sustainable ✔ Supportable ✔ Testable ✔ Achievable

Team Leaders: Jeff Madison, Taylor Shekarabi | **Sustainability Objective:** $500,000

PRODUCT/SERVICE

Provide a clear summary of the product or service to be offered.

A shared-use kitchen, where renters or members can rent existing infrastructure for hourly or daily time blocks, provides a convenient way for food entrepreneurs to access existing infrastructure without the high startup costs. A shared kitchen incubator has the addition of business development assistance, business counseling, and access to unique channel opportunities.

A shared-use kitchen is a place of business for the exclusive purpose of providing commercial space and equipment to multiple individuals or business entities to commercially prepare or handle food that will be offered for wholesale, resale, or distribution. 'Commercially prepare or handle' includes, but is not limited to, the making, cooking, baking, mixing, processing, packaging, bottling, canning, or storing of food. Shared-use kitchens may include multiple workstations, professional-grade equipment, freezer, cold and dry storage areas, and proper sanitation equipment. The spaces may serve as a commercial production area, a packaging facility, and/or a commissary for food businesses, among other uses. (Source: U.S. Kitchen Incubators: An Industry Update, Econsult Solutions Inc., Urbane Development, The Food Corridor, Catherine Street Consulting, January 2020).

For modeling purposes, the kitchen is estimated at 1,200 SF, with a capacity of 3 users at one time.

An additional service frequently offered is a classroom for instruction or other events. Community Market already has an adequate space to leverage for this purpose. We should seriously consider the value we can add to the mission of Community Market by bringing more attention to this space for business incubation and services.

MARKET

Who is the customer? Consider demographics such as age, location, gender, ethnicity if appropriate. What is the demand/need?

To identify our customer we conducted a very informal survey in February 2020 via social media pages for a number of stakeholder organizations. In preparation we consulted with Impact City and reviewed Shared Kitchen Toolkit: A Practical Guide to Planning, Launching, and Managing a Shared-Use Commercial Kitchen. The results of our survey were inconclusive in determining "who is the customer?" With 57 respondents, the survey did identify anecdotal demand for shared kitchen space and other entrepreneurial services.

Additionally, we toured Kitchen 66 in Tulsa, and later interviewed Robbie Wing, the Kitchen Director at Kitchen 66. Robbie said they faced a similar challenge identifying demand. Therefore, they used a test phase in a low-cost, existing location to help measure demand. It was after the test that they moved into a full-scale operation.

Next, we reached out to The Food Corridor Consulting Circle for assistance in identifying our customer/measuring demand. We were connected with Wendy Stuart and Emily Paul at The Food Works Group in Washington, DC. Emily is the former Director of Kitchen Operations at The Good Acre. Wendy recommended a "Food Ecosystem Analysis" to help identify gaps which Community Market might exploit. I had mentioned micro-packaging in our call and Emily mentioned that a food ecosystem analysis might uncover several opportunities, to include demand for a shared kitchen and incubator. Subsequently, The Food Works Group forwarded a broadly scoped statement of work with the recommendation that our financial stakeholders view it and narrow the scope as appropriate so that we could get a cost estimate. We shared the proposed statement of work with several stakeholders. To date no stakeholders have responded with a proposal to narrow the scope or contribute to the cost of such an effort. Daniel, and members of this committee believe there might be great value in such an analysis, but we will have to broaden our financial stakeholder pool before we proceed with this effort. Such a report would complement the Blue Zones Pottawatomie County Food Environment Discovery Report dated March 2017.

At a macro-level we found a wealth of national-level market information in the recently published U.S. Kitchen Incubators: An Industry Update, Econsult Solutions Inc., Urbane Development, The Food Corridor, Catherine Street Consulting, dated January 2020. Below are several relevant observations from the 180 respondents to the survey of more than 600 shared use food facilities in the U.S.

- While incubators tend to be an urban trend 21% of incubators are in rural areas
- Two-thirds of shared kitchens have been established since 2010
- One-in-five are certified by the USDA
- 69% of incubators have seen revenue increase in the past three years, 39% of respondents are now profitable
- Most non-profit incubators have received grant support for operating capital, investment, or a combination of both.
- Nearly 45% of shared kitchens are less than 3,000 SQFT; kitchen space makes up half of typical facility (offices, classrooms, and storage the remainder of the space)
- Shared kitchens have very few employees. Often one full-time and only a few part-time
- Half operate on less than $100,000 per year with majority of the costs being rent and salary
- Leasing shared space for food production is by far the biggest revenue source
- 75 percent have fewer than 30 tenants; half can accommodate up to four shared users at one time; 80 percent of tenants stay one year or longer; 68% have seen an increase in tenants in the past three years
- 52 percent of tenants are women and 30 percent are people of color
- 44 percent of respondents charge between $20 to $29 per hour during peak usage time. During non-peak time, 49 percent charge less than $20 per hour. For-profit facilities typically charge more than non-profit facilities. 52 percent of facilities report as for-profit.
- Most require formal documents for new members/tenants (insurance, food safety certification, sales tax license)
- Help with licensing and certifications and business counseling are the most frequently offered services. There are myriad ways to offer these services. (Kitchen 66 uses a multi-week course called "Launch.") Tenants also need access to operating capital and marketing opportunities
- Only 30 percent of incubators track success outcomes of tenants

COMPETITION

Who is the competition? What is their offering? Pricing? Consider other programs/activities that might also be a competition, like sports events, fast food restaurants with play areas.

There are no direct or indirect competitors for a shared-use kitchen with business incubation services influencing the Shawnee area.

There are currently no other business incubators or accelerators of any kind in Shawnee, but there are 32 general business incubators in Oklahoma. Gordon Cooper Technology Center offers business development services. They have previously voiced interest in partnering with a business incubator. Oklahoma Baptist University has also voiced interest in starting an incubator, but no action has been taken to date.

We found evidence of only two other operational shared-use kitchens in Oklahoma. Kitchen 66 in Tulsa and Earth Elements Entrepreneur's Kitchen (EK3) in Oklahoma City. Robbie Wing, the Director, was open to the idea of Kitchen 66 walking alongside and helping shepherd a shared-kitchen project in Shawnee.

Kitchen 66 in Tulsa: As mentioned previously we toured Kitchen 66. See Jeff's summary for more details

Earth Elements Entrepreneurs' Kitchen (EK3) was once associated with Urban Agrarian. EK3 rate schedules are published on the website with hourly rates lower than $15 per hour, but perhaps clients contract in advance and pay whether they use their time or not. This would help better predict usage and revenue. The physical space of the kitchen and equipment appears to be approximately 1 set. There is mention of bottling and canning equipment.

FINANCIAL SUMMARY

Outline the pricing model and estimate of costs. What are the potential earnings? Does it meet the target financial goal and can the idea generate revenue within 2 years, improving margins in five years, and break-even in seven years?

Financial Scenario 1: Test/Pilot at Mission Shawnee

Assumption: Community Market and Mission Shawnee come to an agreement for an initial test of a Shared Kitchen (incubator) using the existing Mission Shawnee Kitchen, dry goods storage, walk-in cold/freezer storage, and classroom/multi-purpose room as needed.

Estimated costs: TBD. Include rent, compensation for a kitchen director, a share of utilities if not included in rent, the costs of bringing the existing kitchen up to commercial kitchen code. This might include installing stainless steel counters, upgrading sinks, repairing walk-in freezer/cooler (or replacing), fire suppression, rodent control, and purchase of a few pieces of equipment and smallwares to supplement existing equipment.

- Rent: $8 Per SQFT.
- Personnel: 1 director at $45K
- Utilities: Mission Shawnee does not bill current tenants.
- Capital improvements--remain property of Mission Shawnee (bringing the kitchen up to code): TBD
    - Four compartment sink?
    - Stainless steel counters? This may be a requirement for a commercial kitchen. Depends on what our health department says.
    - Additional hood space (not likely for test)?

- Additional Equipment:
    - Walk-in Freezer: Not required for initial phase. New walk-ins which can be installed inside a building cost about $10K each for a 10x14. Mission Shawnee will likely sell their existing inoperative walk-ins. They do have smaller freezer/coolers inside the kitchen. If walk-ins are not feasible cost-wise we may need to purchase additional reach-in coolers and freezers and would not offer walk-in space for rent. Walk-in Cooler: TBD (repair/replace)
    - Convection Oven: See pricing in Financial Scenario 2
    - 20 QT Mixer: $2,500-$4,500. A minimum 20 QT Mixer with a slicer and mixing attachments appear to be staple items in the kitchens I have looked at.
    - Stainless steel shelves for storage? Current dry goods storage shelves are wood. I'm not sure what the health department will say about that for a commercial kitchen. Everything in my restaurant is required to be stainless.
    - Stainless steel prep tables: $800 each. We need 2-4 of these.
    - Smallwares (majority provided by tenants?). K66 required their tenants to bring their own smallwares including baking pans. We would want to get a wheeled baking rack/cart at a minimum. I would recommend we provide some basic smallwares given the absence of capital our entrepreneurs might experience. Baking pans, larger pots, and such. Not too much.
    - Supplies: trash can liners, dish soap, sanitizer, hand soap, hand towels, cleaners would likely be provided by the Shared Kitchen.

Pricing model: Begin with Kitchen 66 pricing model as a framework and adjust from there as appropriate.

- Kitchen use: $15 per hour, reduced to $10 per hour if only using prep tables; Note: Nationally, rates are $20-$29 during peak hours.
- Dry goods storage is $20 per shelf, per month
- Freezer and cooler are each $25 per shelf, per month
- The agreement requires all members to pay a minimum of $100 in hourly fees. If you don't come that month you still pay $100.
- The Launch Course is $500
- The Shared Kitchen space would accommodate a maximum of three companies at one time assuming approximately 3 people per company

Number of Customers	Average Hours Per Month	Monthly Hourly Revenue	Monthly Dry Goods Revenue	Monthly Freezer Revenue	Monthly Cold Storage Revenue	Total Monthly Revenue	Total Annual Revenue
10	80	$12,000	$ 400	$ 500	$ 500	$ 13,400	$160,800
15	80	$18,000	$ 600	$ 750	$ 750	$ 20,100	$241,200
20	80	$24,000	$ 800	$ 1,000	$ 1,000	$ 26,800	$321,600
25	80	$30,000	$ 1,000	$ 1,250	$ 1,250	$ 33,500	$402,000

Generate revenue within 2 years? The table above shows possible revenue using Kitchen 66 pricing model. Although we don't know annual costs at this time, we can make an assumption using an observation from the U.S, Kitchen Incubators: An Industry Update that "half operate on less than $100,000 per year with majority of the costs being rent and salary." The table above illustrates that with 10 tenants averaging 20 hours per week in the kitchen, each renting space in dry goods, freezer, and cold storage we would expect $160,800 in

revenue. This does not include any revenue from business development services. That means potential profit of $60,000 that year. These assumptions do not factor initial investment or capital improvements for equipment and facility.

Financial Scenario 2 - Pilot in Stand-alone Facility

Assumption: A second financial pro forma was developed based on the Kitchen opening its own 1,200 square-foot facility. The financial model incorporates additional supplies for the kitchen and operating expenses, along with financing for the equipment. The proforma also takes into consideration the number of simultaneous users per month. This model shows $53,000 in net income in year 1.

RESOURCES

What resources will be required to launch the product/service? Include equipment, facility, technology and future staffing.

See above. I would suggest hiring the Kitchen Director once the project passes the Test phase. The director would be someone with kitchen experience and would be required to help research and gather cost estimates, identify service providers (pest, custodial, trash, repair), and develop a matrix of support with Mission Shawnee. For example, the hood is a part of the facility. Who performs routine maintenance and who is responsible for quarterly inspections of it and fire suppression systems? Existing kitchen equipment maintenance. Who pays for repairs and servicing?

RELATIONSHIPS/SUPPORT

List committed constituencies within the organization. Are there any constituents opposed to the idea?

Mission Shawnee: On March 31st, 2020, we met with Ryan Brooks, Executive Director of Mission Shawnee, to tour their kitchen and other facilities to cast the vision for a possible partnership where Community Market rents space from Mission Shawnee for a shared kitchen incubator. Mission Shawnee Floor Plan. See #2 & #5 for kitchen and #9 is dry storage. Inoperative walk-ins are not marked, but are outside through two sets of double doors north of #9. Classroom/event space is available particularly #1 on an as needed basis.

That same day we sent a memo to the Mission Shawnee Board of Directors for the purpose of exploring Mission Shawnee's level of interest with the idea in general. We requested, and were granted permission for Community Market to coordinate directly with Ryan Brooks, the health department and other external organizations to build a more detailed test plan, budget and proposed timeline which would then be presented to the Mission Shawnee Board of Directors. It is worth adding that Community Market and Mission Shawnee already share a parking lot, and the Mission Shawnee facility has an entire wing currently available for expansion for community partners. The two organizations share a common mission to mentor and strengthen the capacity of others so that they can realize their full potential. The incubator side of the shared kitchen is a platform for reaching underserved elements of the community. Likewise, the kitchen is currently used periodically by other organizations and groups of individuals to feed community members. There is an opportunity for synergy on many levels. Mission Shawnee currently rents for $8 per SQFT including utilities.

Community Market: Daniel supports coordination with Mission Shawnee to further develop the details of a test plan, budget and timeline.

County Health Department: After approval by the Mission Shawnee Board of Directors we initiated contact with Mark Childers at the county health department and discussed the concept of a shared kitchen as well as

the possibility of testing it at Mission Shawnee. Eventually we will need to consult with Gary Rutherford whose focus is more on construction design standards such as location of mop sink, hand washing stations, four compartment sink, composition of floor, ceiling, walls, shelving, and counter materials. In the meantime, Mark has offered to help get us information so we can begin estimating costs. While having never been to this particular space, Mark's initial impression was one of cooperation and desire to help us get to a safe and acceptable level to operate while keeping costs within reason. It is likely that each individual tenant of the shared kitchen will need to have their production processes reviewed and approved by the health department.

Concept Summary: Workforce Development

Concept is: ✔ Sustainable ✔ Supportable ✔ Testable ✔ Achievable

Team Leaders: Rachael Melot; Tracy Meeuwsen | **Sustainability Objective:** $500,000

PRODUCT/SERVICE

Provide a clear summary of the product or service to be offered.

Training and job placement for in-demand trade skills including:

1. Electric Lineman (or lineworker) - person who installs and repairs cables or wires used in electrical power or distribution systems. Electrical power-line installer, annual mean wage in OK - $61k (Source: Bureau of Labor Statistics). Starting salary $38k. (Source: Electric Career Now)
2. Communications Lineman - installation and maintenance of telephone or telecommunication lines. Telecommunication line installer - annual mean wage in OK - $53k (Source: Bureau of Labor Statistics). Starting salary $29k. (Source: Electric Career Now)
3. Construction equipment operators - drive, maneuver, or control the heavy machinery used to construct roads, buildings and other structures such as motor graders, bulldozers, scrapers, compressors, pumps, derricks, shovels, tractors, or front-end loaders to excavate, move, and grade earth, erect structures, or pour concrete or other hard surface pavement. May repair and maintain equipment in addition to other duties. Annual mean wage in OK - $41K (Source: Bureau of Labor Statistics)

MARKET

Who is the customer? Consider demographics such as age, location, gender, ethnicity if appropriate. What is the demand/need?

Background

Energy industry representatives have created the Oklahoma Energy Workforce Consortium to ensure that a talented and highly skilled workforce is ready to meet the growing demands in one of Oklahoma's top industries. The consortium is advocating for a 17th Career Cluster for energy to make Oklahoma students more aware of the energy industry and the career paths available to them in energy.

The idea for the consortium started with OG&E, who brought together a group of electric utilities and co-ops to discuss their workforce needs. The consortium expanded to include the broader energy industry, recognizing that all employers in the energy industry are facing similar workforce demands. CareerTech and the State Department of Education are working with the consortium to establish the new Career Cluster.

Oklahoma adopted the national Career Cluster Framework as an organizing tool for curriculum design and instruction. According to OK Career Tech these Career Clusters link what students learn in school with the

knowledge and skills they need for success in college and careers. Energy is not a Career Cluster, despite its prominence in Oklahoma. The energy industry is one of the largest industries in OK and is expected to have a severe shortage of skilled workers by 2025. Jobs in the energy industry are also the highest paying in the state. The energy industry is critical for Oklahoma's continual growth and well-being of all residents.

Without a well-qualified workforce in the energy industry, Oklahoma's continual growth may not be sustainable. Bringing energy to the forefront of the education system empowers Oklahoma to develop a talent pipeline and meet its energy workforce demand with qualified candidates. Although the energy industry is very competitive, it is also highly interdependent. Companies in the consortium believe that it is imperative for all companies in the energy industry to be well staffed with qualified workers. In essence they are partnering in the classroom to compete on the field. (Source: Oklahoma Commerce)

The OK Energy Workforce Consortium is being led by Molly Peters, with OG+E. Rachael Melot has worked closely with Molly in developing this concept.

Customer

Students

- individuals with a high school degree or equivalent and a valid driver's license
- 76k individuals meet the education requirements in the Gordon Cooper service areas (Lincoln, Okfuskee Pottawatomi, and Seminole counties). (GCTC Economy Overview, produced 10/2017) of these:
    - 36k hold high school degree
    - 23.7k with some college
    - 7k with associate's degree
    - 10k with bachelor's degree
- may be an option for formerly incarcerated individuals re-entering the workforce

Placement Partners

- Oklahoma Electric Cooperative (OEC)
- OG+E - 2,200 employees
- construction companies, telecom companies

Location: Central OK

Demand/need

1. Construction equipment operator jobs projected to grow 14% over the next 10 years, with 277 annual openings in Central Oklahoma (Source: COWIB)
2. Electrical power-line installer and repairer jobs expected to grow 22%, with 49 annual openings. (Source: COWIB)
3. Telecommunications line installer and repair jobs, expected to grow 26% in the state, with 40 annual openings. (Source: O*Net Online)

COMPETITION

Who is the competition? Consider geographic area, pricing, etc.

An online search for electrical training schools near Shawnee produced a list of 6 Technology Centers, Rose College, and OK City Community College. However, upon closer inspection none of the Tech Centers currently offer training for construction equipment operators (SOC 47-2073), electric lineman (SOC 49-9051),

or telecommunications lineman (SOC 49-2021). (Source: OK Career Tech) Neither Rose College nor Oklahoma City Community College listed these training opportunities on their websites.

Note: Standard Occupational Classification (SOC) system is a federal statistical standard used by federal agencies to classify workers into occupational categories for the purpose of collecting, calculating, or disseminating data.

Located in Ardmore, Southern Tech offers a Heavy Equipment Operation Program designed with NCCER (National Center for Construction Education & Research) standards nationally recognized by employers in the construction, earthmoving, and excavation industries. Students will learn to operate heavy equipment through in-the-seat operation of several types of heavy equipment and through classroom instruction that includes simulators. Cost: $2,625 in district; $5,250 out of district; $7,350 out of state. Does not include books, fees, other materials. Completion time: 2 years PT or 1 year FT. Total of 1.050 hours.

OSU Institute of Technology is the only OK school offering an associates degree in High Voltage Lineman, and is currently the #1 producer of linemen. The student is typically right out of high school. When it comes time for employment opportunities, the young graduate typically prefers to stay close to home. This makes it difficult to place workers in central/western parts of the state. . The campus is located in Okmulgee, approximately 73 miles from Shawnee. 90-credit program, 30 classes, 2 years to complete. Instate tuition for 2 years: $36k. Instate-ONLINE tuition for 2 years: $18k. *The estimated cost is for a full-time student with 15 credit hours and figures include tuition, fees, textbooks, supplies, and room and board (except for Online). Additional fees and materials may be charged or required depending on the course or program.*

Pricing for other schools for use as reference.

Lineman School	Application Fee	Tuition Fee*	Tools & Other Equipment	**Total Cost**
Linemen Institute of the North East	$110	$10,890	$5,517	**$16,517**
Southeast Lineman Training Center	$100	$10,440	$4,455	**$14,995**
North American Lineman Training Center	$100	$8,700	$2,455	**$11,255**
Northwest Lineman College	$100	$14,550	N/A	**$17,450**
California-Nevada JATC	N/A	$12,250	N/A	**$12,250**

There is always a risk that Gordon Tech could add programming in the future that incorporates lineman and/or construction equipment operator training. However, risk could be mitigated by forming strong relationships/partnership with the City and GCTC's Board of Education to ensure that local tax dollars are used to support programming in other areas.

FINANCIAL SUMMARY

Outline the pricing model and estimate of costs. What are the potential earnings? Does it meet the target financial goal and can the idea generate revenue within 2 years, improving margins in five years, and break-even in seven years?

Unit Economics

For staff costs, see Resources section. Instructor positions can be part-time at less than one unit. Additionally, classes could be taught by multiple part-time teachers broken up by day or time of day (e.g. all day Mondays, or 8-10 each day). One unit built on maximum capacity of the program director to supervise staff. Additional growth would require an instruction manager to report to the program director.

Role	# staff	Capacity	Cost	Buildup
Lineman instructor	4	10 students	$55K	Teaching: one class 4 days per week, 6 hours per day. Remainder of time administrative, training, preparation. Additional student groups require additional teacher.
Equipment operator instructor	4	10 students	$45K	Teaching: one class 4 days per week, 6 hours per day. Remainder of time administrative, training, preparation. Additional student groups require additional teacher.
Career coach	1	80 students	$40K	
Program director	1	8 instructors	$55K	

Tuition	12,000	80	**960,000**
Placement	50,00	80	**400,000**
Sponsorship	0	0	**0**
Lineman Instructor	55,000	4	**(220,000)**
Equipment Op Instructor	45,000	4	**(180,000)**
Career Coach	40,000	1	**(40,000)**
Program Director	5,5000	1	**(55,000)**
Facilities	30,000	1	**(30,000)**
Administrative	25,000	1	**(25,000)**
Marketing Management	40,000	1	**(40,000)**
Marketing Expense	20,000	1	**(20,000)**
Facilities	100,000 SF	1	**(100,000)**
Equipment	30,000 (amortized)	1	**(30,000)**
Operations	36,000	1	**(36,000)**
Net Unit			**$584,000**

RESOURCES

What resources will be required to launch the product/service? Include equipment, facility, technology and future staffing.

Staffing

Program director - $55k; responsible for operations and corporate partners

Lineman instructor - $52-$55k (based on current salary for open position at OSU)

Equipment operator instructor - $45k (based on high school teacher average salary in Pottawatomie County)

Career coach - $40k; responsible for student retention/success and placement (note: this position can be added in future years)

Curriculum/Certification

Ready-made curriculum is available for purchase. Construction equipment operator training is available on DVD, with kits ranging around $500.

T&D Power Skills Lineworker Training includes 78 units, spanning the entire range of Lineman Training, from entry-level to journeyman level. High quality DVD video, an Instructor's Guide, and a comprehensive Student Workbook for each unit. Based on testimonials, it appears the curriculum is also available online to students. No pricing available online.

Preliminary search of curriculum for telecommunications lineman indicates that the training is similar to the electrical lineman.

Curriculum is not certified, rather the training program itself must apply for and go through a certification process. Certification is not a requirement of a training program. We could work with lead corporate partners to identify core training components and ensure those items are included. See here for additional information on certification for lineworker apprenticeship programs. tdpowerskills.com/how-to-certify-your-program

Accreditation

The Training Institute (placeholder for name) will need to go through an accreditation process to be eligible to accept financial aid. The accreditation is handled through the Oklahoma Department of Career and Technology Education.

Marketing

Initial investment estimated at $20k to include; Website design/development; Logo development; Promotional materials

RELATIONSHIPS/SUPPORT

List committed constituencies within the organization. Are there any constituents opposed to the idea?

Relationships important to the success of this project include:

- City of Shawnee - facility rental
- Gordon Cooper - partner for training needs beyond scope of Community Market's training program (i.e. math or other wrap-around courses)
- OG+E - resource to stay apprised of Consortium's work on new energy cluster; potential early investor/donor; intern and employment placement partner
- OK Coop - resource to stay apprised of Consortium's work on new energy cluster; potential early investor/donor; intern and employment placement partner

- Major corporations that might employ graduates
- State Energy Workforce Consortium - resource to stay apprised of Consortium's work on new energy cluster; potential early investor/donor; access to intern and employment placement partners
- National Energy Education Network (NEEN) Institutions - promoted energy education for primarily K - 12 students; see partners for list of potential corporate partners
- Shawnee Forward - jobs
- Citizens of Pottawatomi Nation - job placement; students; potential early investor/donor
- Large equipment manufacturers (John Deere, CAT, HOLT, etc.) - need to explore corporate partnership with one of the large equipment manufacturers. Could potentially be a way to get donated equipment/training for the heavy machinery training
- FlintCo - placement partner; potential early investor
- Trade Associations- possible marketing/networking partner
- OBU Green campus space (formerly St. Gregory's campus)