Feasibility Study of La Cocina Incubator at Yolo County Food Bank

Natalie Pueyo  Zhaokun Ning  Noam Baharav
Final Problem Description

The Yolo County Food Bank wants to provide women with the knowledge and resources to improve their economic mobility. One idea included providing space and resources that would help the users to create their own food-related businesses.

Our goal was to research existing and successful food makerspace/incubator models to determine if this idea would benefit the Yolo County community.
Background

- **PROBLEM**
  - YCFB's new warehouse space
  - Serving Yolo County community needs

- **MODELS**
  - Research
  - Makerspace? Incubator? Tinkering/working kitchen?

- **RESEARCH**
  - La Cocina Incubator
  - Filling a niche the three ingredients for success Yolo County Demographics

- **APPLICATION**
  - Yolo County
  - Are the entrepreneurs here? Who can collaborate? What’s the market? Find funding

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Methodology

● Can this be done:
  ○ SWOT analysis & comparison

● Should this be done:
  ○ Yolo County community research

● How it would be done:
  ○ Financial Research
## Results: SWOT

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<th>STRENGTH</th>
<th>WEAKNESS</th>
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<tr>
<td><strong>La Cocina</strong></td>
<td>● Low rent</td>
<td>● Lack of business-starting knowledge</td>
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<td>● Had knowledge of the food industry</td>
<td>● Organized and built as a commercial kitchen, not as an incubator</td>
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<td>● Existing collaborations with other organizations</td>
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<td><strong>Yolo County Food Bank</strong></td>
<td>● Low to no rent</td>
<td>● Lack of funds</td>
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<td>● Already have knowledge of the food industry</td>
<td>● A side part of the mission of the food bank</td>
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<td>● Existing collaborations with other organizations</td>
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### OPPORTUNITY

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<th><strong>La Cocina</strong></th>
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<td>● Existing entrepreneurs that just need a way to formalize their business</td>
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<td>● Unfilled niche in local business development</td>
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<td>● Large market for ‘exotic’ foods</td>
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### THREAT

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<td>● Continuous dependence on donors</td>
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<td>● Increasing rent in San Francisco</td>
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<td>● Food bank is known as an organization that helps the community</td>
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<td>● Trend to help women obtain the resources to build businesses</td>
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|                | ● Potential lack of a target user                                            |
|                | ● Potential lack of an informal food business ecosystem                       |
|                | ● Potential lack of a market                                                  |
Initially, users of the food bank were the target audience for the incubator:
- Lack resources to sink into building a business
- 57% have to choose between food or health insurance
Results: Financial Analysis

Estimated initial cost of operation for YCFS's space:

Initial budget:

\[
\frac{1280 \text{ft}^2 (\text{square feet})}{2200 \text{ft}^2 (\text{square feet})} = \frac{x (\text{US dollars})}{$500,000 (\text{US dollars})}, \quad x = $290,909.1
\]

Equipment/outfitting cost:

\[
\frac{1280 \text{ft}^2 (\text{square feet})}{2200 \text{ft}^2 (\text{square feet})} = \frac{x (\text{US dollars})}{$1 \text{ million (US dollars)}}, \quad x = $581,818.18
\]

Total initial “up and running” cost = $872,727

La Cocina:
- Space: 2200 square feet
- Private donation: 1 million dollars
- First year budget: 500,000 dollars

YCFS:
- Space: 1280 square feet

Possible Funding:
- Small business loan: (From $5000 ~ $250,000)
  - Women’s Business Center in SF Bay Area
  - SF Entrepreneurs of Color Fund
- Foundation:
  - Open Meadows Foundation (not exceed $75,000)
  - Sacramento Region Community Foundation ($100,000)
Recommendation

La Cocina is an incubator that was built around an existing vacuum in San Francisco. It would not be possible to copy this system in Yolo County which has different demographics.

We recommend that the Yolo County Food Bank conduct further research to determine if there are fledgling entrepreneurs in Yolo County (that meet the 3 ingredients for success), and if there is a big enough market in the vicinity to make all the new businesses possible.
Sources / Appendix

- Email from Leticia Landa, Deputy Director of La Cocina, February 20th, 2018
- Interview with Leticia Landa, Deputy Director of La Cocina, March 5th, 2018