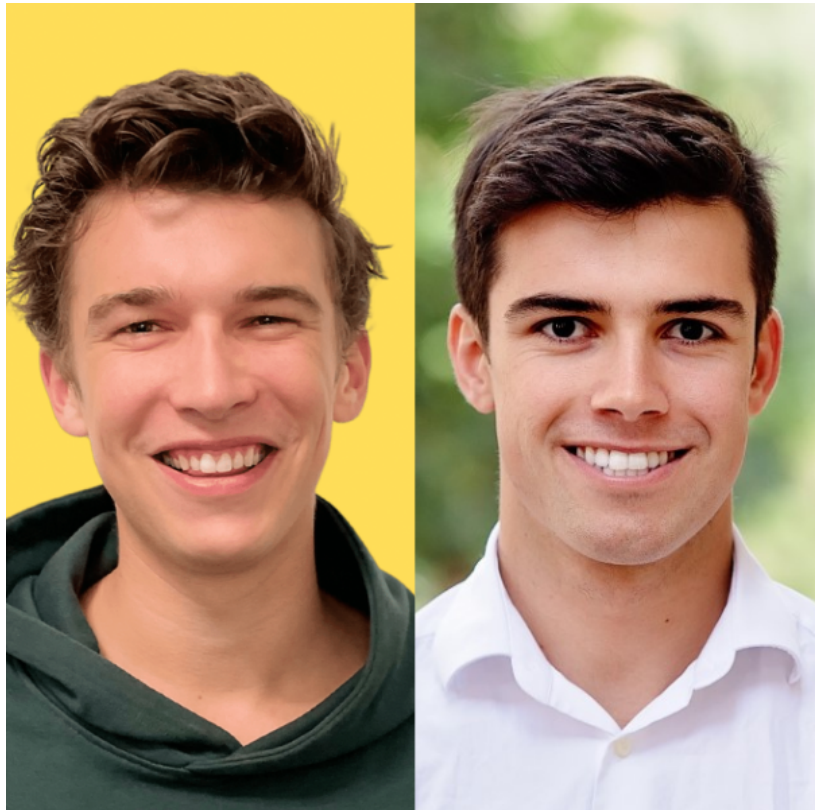


URL: <https://stvp.stanford.edu/clips/strategy-for-financial-sustainability>

Farmlink Project co-founder and CEO Ben Collier and co-founder and board director James Kanoff explain their strategy for building a sustainable business model. Understanding their place in the larger food system helped them narrow their costs and identify ways to draw down their overhead, Collier says, and their values guided which money-saving projects to focus on.



Transcript

Audience Member Could you maybe talk a little bit more 00:00:03,300 about your thought process on building a self-sustaining business model for the long term? - Hmm, sure.. 00:00:12,780 We came up with a strategy that was like three points.. Super simple.. It was drastically increase the amount of food going to people instead of landfills.. Prioritize partners who make that food so available that it's no longer seen as food assistance.. And then, make this strategy financially sustainable at scale, which is kind of a small bullet considering that's your whole question.. But as a nonprofit, (James laughing) we really felt like, "Okay, we cannot rely on farmers' goodwill.. We need to provide something that is actually value-add for them." And so, we didn't try and become a better option than Whole Foods or a better option than even selling their extra fruit to a juicer.. We said, "Anywhere you can go make money for this food, go make money.. When you have nowhere else to go with it, then we can be helpful to you." And so, I think understanding our place in that order was really important..

And then, that means that the only cost we have is overhead, but then it's transportation and logistics.. And so, it's like 3 cents per pound.. And what we've spent the last couple years doing is researching projects that could maybe draw that down.. You know, we looked into stuff like a tax program where we can help farmers access their benefits and then we take a small percentage of that to cover the transportation and logistics that we're supporting them with or the carbon program.. - Yeah, and the other thing that we looked into quite a bit, 00:01:24,540 and I think there's actually now like a company that's spinning out to do- - There is.. 00:01:28,530 - There is a company.. (laughs) (audience laughing) It's quantifying the methane emissions that are avoided.. So when you prevent food waste from going to landfill, you're preventing a lot of methane emissions and you instead get it to people.. If you could quantify what the benefit of that is from a GHG perspective, you could generate a carbon offset and that could really fund this work to scale it up.. And so, we set out on a project to do that for nearly a year and a half and now there's actually a team..

It's too much for farming to take on but there's now I guess like a startup that is doing just that, and Farmlink and all the other food rescue organizations can benefit from it.. - I think the theme of that that's most important 00:02:02,670 is we define where our values would let us go before we worked on those projects.. So the tax program, we only do it if we can add more value to the farmers.. The carbon offset program, we only do it if we can add more value to the food banks that we're working with.. And so, it allowed us to kind of hold on to what we felt like was Farmlink while still pursuing something that was gonna help our long-term financial outlook...