

## **Case Study 8.1**

### **FareStart® and Catalyst Kitchens® (formerly Kitchens With Mission)**

Catalyst Kitchens® is a nonprofit social venture launched in 2005 by another social enterprise, FareStart®, to provide technical assistance to other organizations that want to emulate the success enjoyed by FareStart® in serving the homeless and other disadvantaged populations. Its story offers an interesting and unique perspective on scaling in social entrepreneurship.

The story begins with FareStart®. This is a large nonprofit venture in Seattle which addresses two needs of that city's homeless and disadvantaged population: (1) the need for the provision of regular meals, and (2) the need to move these individuals toward independence through employment. FareStart® meets these needs by employing homeless and disadvantaged people in its commercial kitchens, which, in turn, serve meals to the larger homeless and disadvantaged population. In this process, these individuals are trained to work in the food industry.

FareStart® began its work twenty years ago. It provides four major services: culinary training for homeless and unemployed adults, contract meal provision to low-income childcare programs and homeless shelters, a barista training program for homeless youth, and housing and social services for its clients. This social venture has served more than 3.25 million meals over its history and continues to serve 3,000 meals per day. Each year, FareStart® trains more than 250 individuals and provides housing and social services to over 400 people. Its culinary training program places 88 percent of its trainees in jobs. Its youth barista training program has a 60 percent placement rate (Kitchens With Mission, 2010a).

Culinary training program trainees receive over sixteen weeks of both classroom and kitchen training. The on-the-job training takes place in FareStart®'s contract kitchen and its retail kitchens, which create meals for four operations: FareStart® Café, FareStart® Catering, FareStart® Restaurant, and Guest Chef Events. These latter operations generate earned income that finances over 60 percent of its budget. The FareStart® Café also serves as the training ground for the youth baristas (Kitchens With Mission, 2010a).

The dual facts that FareStart® successfully trains and places unemployed individuals in the food-service industry and generates substantial earned income in the process has made its model of great interest to other organizations around the United States that are pursuing a similar mission. This presented FareStart® with an opportunity. It could spread its mission by working with these organizations to help them achieve comparable success in their own efforts. However, FareStart® feared that if it became directly involved in consulting, using its own staff, it would dilute its capacity to achieve its mission in Seattle. With this in mind, FareStart® created a nonprofit division called Kitchens With Mission, later changing the name to Catalyst Kitchens®.

Catalyst Kitchens® began as a three-year pilot program. Its founder and director is David H. Carleton, who was formerly FareStart®'s head of Communications and Business Development. Carleton holds a BA from McGill University and a Masters of Communications from Northwestern University. He has experience in the media, publishing, and Internet industries (Kitchens With Mission, 2010b).

Like its parent organization, Catalyst Kitchens® pursues a mission of helping those who are considered by society to be "unemployable" to learn skills in the food-service industry and to get a job in that industry. Unlike FareStart®, however, Catalyst Kitchens® does not accomplish this by creating its own kitchens and culinary training processes in other locations but by helping other communities to create their own. Thus, Catalyst Kitchens® is helping FareStart® to scale its reach across the country.

The way in which Catalyst Kitchens® accomplishes this is complex and layered, which can make its approach confusing to observers. While Catalyst Kitchens®'s model is not branching out, it does pursue long-term relationships in the communities where it works. Its approach is not purely affiliation or dissemination, either. Some have suggested that what they do is a form of social franchising; however, Catalyst Kitchens®'s leadership does not believe this is true because its partners in each of the communities in which it works maintain total ownership (Cohen, 2010).

So, what is Catalyst Kitchens®'s model for scaling the work of FareStart®? In essence, Catalyst Kitchens® creates a partnership with a local nonprofit in each community into which it is invited. It then links these nonprofits into a national network (the Catalyst Kitchens® Network) which shares information, knowledge, best practices, and group access to corporate sponsorships that likely could not be obtained individually. As the Network grows in size and strength, its value to its members increases. This is the lever that Catalyst Kitchens® uses to keep its partners in line and pursuing quality and performance. If they do not, they can be dropped from the Network (Cohen, 2010). This is the broad framework of the model, but the complexity lies within each partnership arrangement.

While no two Catalyst Kitchens® partnerships are exactly the same, there is a staged process that Catalyst Kitchens® follows in all cases. This process consists of five stages: exploratory, planning and development, implementation and launch, program development, and catalyst kitchen (see Figure 8.3). In the exploratory stage, Catalyst Kitchens® researches how the partner nonprofit currently handles its food-service operations, provides a tour of FareStart® and begins to think about things such as the business model, performance outcomes, and client eligibility criteria with the partner. In the planning and development stage, strategic planning is undertaken and a business plan begins to take shape (Kitchens With Mission, 2010c).

Implementation and launch, as the name suggests, is the stage in which the new program gets underway. It includes the first year of operations. During this time, the

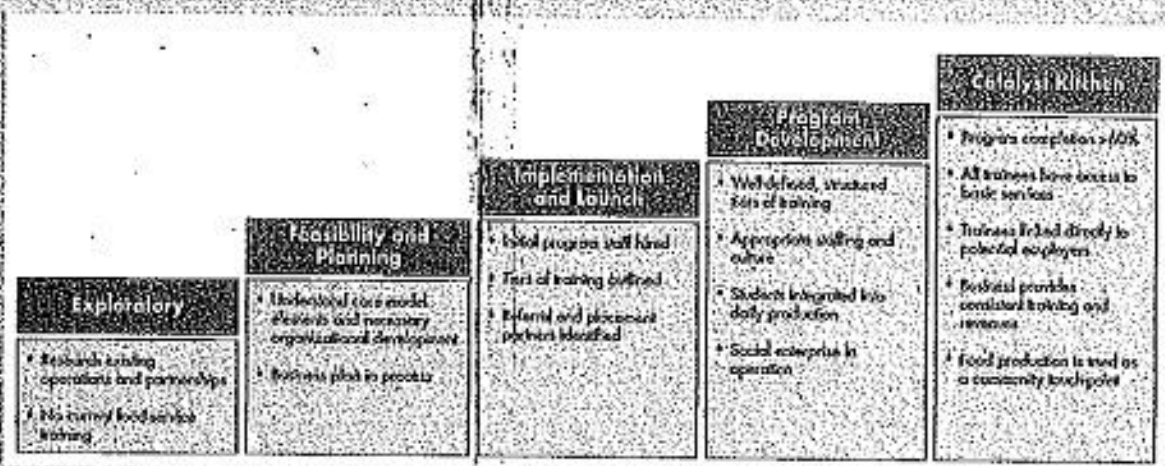


FIGURE 8.3 Stages of Development of Kitchen With Mission (KWM) Partnerships

Source: Catalyst Kitchens® Website ([www.catalystkitchens.org](http://www.catalystkitchens.org)).



program staff is hired, the training process is outlined and train-the-trainer efforts for the program staff are conducted, and local partners to assist with referral and job placement are identified. Catalyst Kitchens® provides direct staff and operational support to the partner during the launch (Kitchens With Mission, 2010c). At this point, the Catalyst Kitchens®-based food-service program is in place and ready for further refinement.

Catalyst Kitchens® calls stage 4 "program development." In this stage, the classroom and on-the-job training program becomes more refined. Any adjustments that need to be made to the program staff and to the organizational culture are made. Students are transitioned from the classroom into the production process. The social enterprise elements of the overall program are put in place. In the final stage, catalyst kitchen, the new program achieves several important milestones: it now clearly tracks outcomes; it has a staff retention rate of over 80 percent; its social enterprise activities cover close to 100 percent of operating expenses; its kitchen is ServSafe compliant and over 70 percent of the food it serves is fresh, and its job placement rate is over 70 percent (Kitchens With Mission, 2010c). This is, of course, an ideal state that will vary from partner to partner as to how long it takes to achieve.

Clearly, the value that Catalyst Kitchens® offers each of its partners lies in the time and money saved by not having to reinvent the concepts, processes, and protocols that FareStart® has already developed and proved. In addition, Catalyst Kitchens® can help its partners adapt the model to local conditions while maintaining standards (Kitchens With Mission, 2010c). The more partnerships Catalyst Kitchens® builds, the more valuable this latter form of assistance becomes.

Catalyst Kitchens® maintains a 40/60 balance between earned income (fees for service) and philanthropy in its sustainability model. Its fee structure relative to activities in the five-stage process is as follows (Kitchens With Mission, 2010c):

Workshop and tour of FareStart®	\$550
Strategic planning workshop	\$1,000–\$3,000
Program development	\$2,250–\$5,000
Program launch	\$950–\$1,900
Partner program site visit/assessment	\$3,000–\$5,000
Train the trainer	\$1,900 (on-site) \$650 (at FareStart®)

A recent survey of partners reveals several of Catalyst Kitchens®'s outputs and outcomes to date. The twenty (of twenty-nine) Catalyst Kitchens® partners who responded have served a total of over 269,140 individuals. They have produced over 4 million meals, and have enrolled 1,175 trainees. The partners graduated 720 trainees, 542 (about 75 percent) of whom were placed in full- or part-time jobs and 60 (approximately 8 percent) of whom went on to obtain an advanced education (Kitchens With Mission, 2010d).

In late 2008 the board of FareStart® voted to extend Catalyst Kitchens®'s mission for another five years to 2013.