


Makers and Value-Added Producers: What is Second-Stage?

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Supporting entrepreneurship since 1983



The Center for Economic Gardening defines second-stage companies as “businesses that have grown past the startup phase and are now focused on scaling.”

Specifically, these companies typically have:

10 to 100 employees

\$1 million to \$50 million in annual revenue

ARTISAN | BENCH-TOP | VALUE-ADDED PRODUCERS

Characteristics

- Small-scale craftsmanship
- Local sourcing
- Necessity-based production
- Informal regulatory status

Challenges

- Limited production capacity
- Local focus
- Reliance on direct sales
- Under-reporting sales
- Lack of resources



THE REAL JOURNEY



STAGE 1

R+D | Pre-Launch

Pivot



STAGE 2

Early Stage | Micro-
Manufacturing

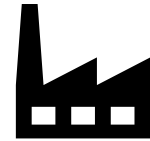
Validation



STAGE 3

Mid-Stage | Small
Batch

Contract
Manufacturing



STAGE 4

Scaling | Co-Packing

HELPING CLIENTS IDENTIFY READINESS FOR SECOND-STAGE DEVELOPMENT



Challenges

Limited production capacity and scalability

Difficulty accessing larger markets and distribution channels

Lack of resources for marketing, branding, and business growth

Navigating food safety regulations and licensing requirements

HELPING CLIENTS IDENTIFY READINESS FOR SECOND-STAGE DEVELOPMENT

Indicators of Readiness

Stable/Consistent Revenue Growth

Capacity to Scale

Operational Efficiency.

Guidance Strategies

Financial Projections – Units vs “Sales”

Operational – MEPs/Manufacturing Assn to support process refinement

Market – Proof of Concept vs Competition

Conversations

Manage expectations - Challenges and Risks

Scalability – Affects to Current Operations



BUT I'M READY!



REALITY CHECK

The background of the slide is a collage of food-related images. At the top, there's a close-up of pulled pork in a red sauce. Below that, on the left, is a head of kimchi. On the right, there's a person wearing a pink glove, possibly handling food. The text 'PREPARING FOR CO-PACKING' is overlaid on a dark, semi-transparent rectangular box in the center.

PREPARING FOR CO-PACKING

Challenges:

- Identifying compatible co-packing partners who align with quality standards and production needs
- Specialty production – Allergen Free/Vegan
- Lack of facilities in state or region
- Navigating the contractual, logistical, and regulatory complexities of co-packing
- Balancing increased costs with sustainable pricing

Assess Production Capacity

Discuss the capacity needed to meet growing market demand and how co-packing fits in

Evaluate Co-Packing Needs

Help clients evaluate whether co-packing is a suitable option for their business

Low production volumes = Higher costs

Option - Incubator Kitchens

Benefits and pitfalls of shared spaces

Small scale co-man availability

Option – Build Out a Facility

Costly

Regulations vary by class of item produced



PREPARING FOR CO-PACKING



STRATEGIC STEPS FORWARD: ACCESS TO CAPITAL REALITIES

Grants

- Discuss grant availability and limitations
- Encourage makers to apply only if their business aligns with the criteria

Loans

- Emphasize the importance of:
- Credit history
- Cash flow
- A solid business plan

Angel + Equity Investment

- Realistic expectation of availability
- Evaluation of scalability and potential returns



CURRENT REGIONAL OPPORTUNITIES

FOOD STRATEGY AND RFSI FUNDING

Market Expansion

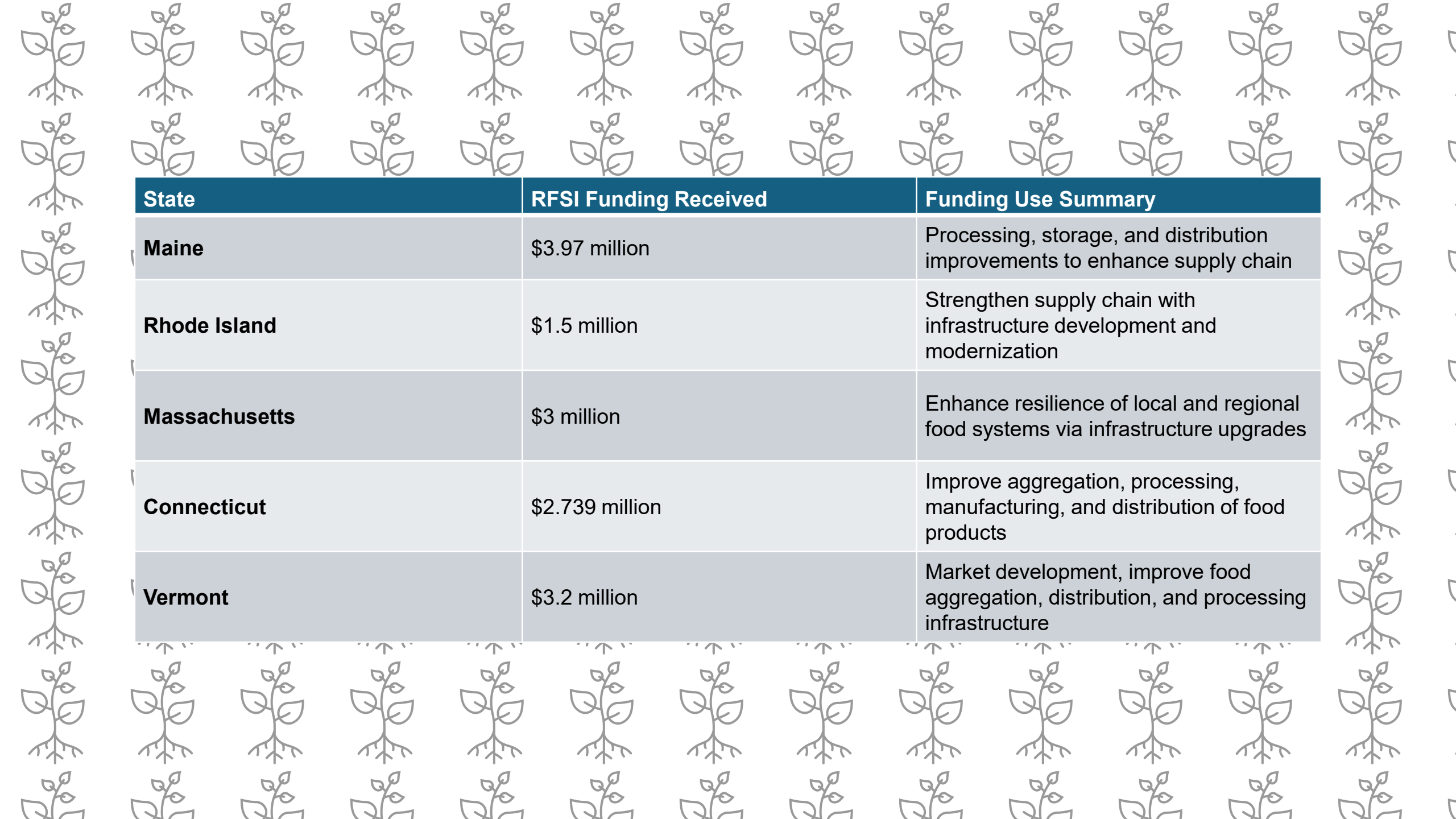
- The Regional Food Strategy '30 by 2030' goal targets a substantial increase in locally produced food consumption, opening new markets for makers and value-added producers.

Funding Support


- Grants aimed at infrastructure development, supply chain improvement, and value-added production provide financial opportunities for businesses to scale their operations.

Resource Access

- Regional partnerships offer education, technical assistance, and collaborative marketing resources to support the growth of local food producers.



State	RFSI Funding Received	Funding Use Summary
Maine	\$3.97 million	Processing, storage, and distribution improvements to enhance supply chain
Rhode Island	\$1.5 million	Strengthen supply chain with infrastructure development and modernization
Massachusetts	\$3 million	Enhance resilience of local and regional food systems via infrastructure upgrades
Connecticut	\$2.739 million	Improve aggregation, processing, manufacturing, and distribution of food products
Vermont	\$3.2 million	Market development, improve food aggregation, distribution, and processing infrastructure



By offering targeted workshops, personalized counseling, and strategic coaching, we can empower artisan makers and value-added producers with the knowledge and skills needed to take their businesses to the next level.

Additional Resilient Food System Infrastructure Resources

New England Food Systems Planners Partnership

<https://nefoodsystemplanners.org/>

RI DEM RFSI

<https://dem.ri.gov/agriculture/grants/resilient-food-systems>

CT DEM RFSI

<https://portal.ct.gov/doag/adarc/adarc/grants/resilient-food-systems-infrastructure-program>

MA RFSI

<https://www.mass.gov/info-details/about-the-resilient-food-systems-infrastructure-rfsi-program>

NH DEM RFSI

<https://www.agriculture.nh.gov/divisions/agricultural-development/grant-program.htm>

VT DEM RFSI

<https://agriculture.vermont.gov/grants/resilient-food-systems-infrastructure>

ME DACF RFSI

<https://www.maine.gov/dacf/ard/grants/resilient-food-systems-infrastructure.shtml>