



# Short Food Supply Chain Masterclass (The Netherlands) Working Document

*This case study was prepared in the framework of the ENRD Thematic Work on Smart and Competitive Rural Businesses ([https://enrd.ec.europa.eu/thematic-work/smart-and-competitive-rural-areas/rural-businesses\\_en](https://enrd.ec.europa.eu/thematic-work/smart-and-competitive-rural-areas/rural-businesses_en)) that was running between August 2016 and July 2017. A comparative case study was developed entitled '[Mobilising the innovative potential of rural businesses](#)' based on the Masterclass and other two case examples of Academy on Tour (Belgium) and AgriEnt Business Accelerator (Greece)*

## FACTS

**Location:** Netherlands

**Timing of the initiative:** From 07/2015 (ongoing)

**EAFRD-funding:** None

**Other public funding:**

- the Municipality of Rotterdam made a cash contribution (€10,000) and managed all organisational, logistical and financial tasks free of charge (in kind contribution estimated at €21,750);
- the municipalities contributed to the cost of participating farmers and growers, and provided in kind organisational assistance (€25,000 in cash, estimated €10,000 in kind);
- The provincial government of South Holland contributed of around € 65,000, under its provincial Green programme;
- Third parties, such as the farmers' union, provided smaller grants (€2,000);
- Participants were asked to make a financial contribution (21\*500=€10,500).

**Website:** <https://www.rotterdamfoodcluster.com/project/masterclass-stad-platteland/>

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### Short description of the project

The Rotterdam municipality, through its already established Food Cluster, searched for a possible contribution to the World Expo 2015 in Milan to showcase the strengths of the regional food landscape, and to present testimonials of entrepreneurs. It was expected that investments in entrepreneurship in the Rotterdam food cluster will not only pay off directly in terms of economic and social benefits (more jobs, more healthy food, nice landscapes around the city), but have the potential to shape the Rotterdam “foodscape” for years to come. For this reason, the municipality of Rotterdam engaged Wageningen Economic Research (WEcR) to conduct a Masterclass: an accelerator programme including lectures and networking activities for rural entrepreneurs working in the food sector.

WEcR has brought together farmers and growers, wholesaling companies specialising in short food supply chains, and rural businesses engaged in urban-rural linkages (such as recreation, education) to stimulate, facilitate and support business innovation. Participants of the Masterclass were given the opportunity to systematically develop a new idea or diversify/adjust their existing business models, through a series of six workshops, based on peer-to-peer learning.

### Summary of main results:

- ✓ The Masterclass engaged 43 businesses with strong innovation potential
- ✓ The workshops provided a strong source of inspiration, motivation and encouragement in building short supply chains and contributed to peer-learning



## 1. STARTING UP AN ACCELERATOR PROGRAMME

### 1.1 What were the triggers to develop an accelerator programme?

The municipality of Rotterdam through its already established Food Cluster, **searched for a possible contribution to the World Expo 2015 in Milan** to show-case the strength of the regional food landscape, and to present testimonials of entrepreneurs.

The rationale for such a contribution was that investments in entrepreneurship in the Rotterdam food cluster will not only pay off in terms of direct economic and social benefits (more jobs, more healthy food, nice landscapes around the city), but have the potential to shape the Rotterdam “foodscape” for years to come, just as the Atomium or the Eiffel Tower where investments initiated by a World Expo are still a “landmark”.

### 1.2 Who initiated and who was involved?

#### a) Leaders with vision

The Rotterdam Food cluster has supported long food supply chains, using Rotterdam as a hub. The engagement of the Rotterdam Food cluster in the Masterclass accelerator complements these ongoing activities.

#### b) Specialist experts

The Municipality of Rotterdam **discussed options to realise its vision with Wageningen Economic Research (WEcR)**. WEcR is an independent and internationally leading socio-economic research institute of Wageningen University & Research, a world-class university in the field of life sciences, agricultural and environmental science. WEcR is a centre of excellence on social and technological innovation addressing the global challenges related to the availability of sufficient healthy food and a healthy living environment and lifestyle.

### 1.3 What are the main steps of setting up an accelerator programme?

Preparatory work was done in three steps:

**In a first step**, WEcR with support of the Rotterdam Food Cluster:

- **Raised awareness** about the relevance of innovation along the short food chain amongst relevant organisations, farmers’ unions, local and regional authorities, professional communities, farmers and related businesses in food processing and distribution. The main tools have been articles in newsletters, participation at events of associations of farmers, growers and gardeners;
- **Informed the respective networks of WEcR and the Food Cluster** via social media about the aims of the Masterclass, the conditions of participation, and the modalities of application;
- **Set up a team of experts** within WEcR specialised in strategic farm management and business innovation and identify and commit external specialists with specific expertise;
- **Developed a series of workshops**, each of which has a specific goal, and represents a step in the development of a new business idea;
- **Identified and selected farmers and ‘enterprises’** along the short food supply chain with practical hands-on experience, residing in South Holland (see below).

**In a second step**, WEcR:

- **Secured funding**, notably through fund-raising from each of the municipalities where participating farmers and growers resided;



- **Identified those farmers** that would host one of the six workshops.

**In the third step** (during the first workshop), detailed workshop planning started, after all participants had explained and prioritised their personal learning goals for the Masterclass.

### 1.3 How target businesses are identified & selected?

This Masterclass aimed at supporting and improving the entrepreneurial skills and capacities of farmers and growers in the region. WEcR recruited 21 farmers, growers and wholesaling companies specialising in short food supply chains, that were motivated and committed to participate. The **proximity of many companies** in the same chain created a base for forming new and strengthen existing clusters.

Participants were identified through two channels:

- The WEcR team focused its efforts to **contact, screen and preselect** suitable farmers and businesses along the short food supply chain, with the help of local experts and consultants from the relevant municipalities or the farmers' unions. Also, the network of suppliers of a wholesale company specialising in short food supply chains was informed. This wholesale company was a participant of the previous Masterclass. Most participants were recruited through these channels.
- Businesses interested in participating could also apply directly to the **open call** for participation, by completing an application form.

This parallel recruitment procedure allowed ongoing control over the selection process, so that eventually the joint selection panel of WEcR and Rotterdam Food Cluster only had to turn down a few applicants (4 to 5 each time). Recruitment efforts finished when the target number was reached.

The final selection was based on the **criteria of motivation, ambition, experience, and willingness and readiness to invest time**. The latter is of relevance, because participating in the Masterclass takes considerable time (9 to 12 days depending on the homework assignment).

When deciding on the final composition of the group of participants, WEcR tried to have a **mix of innovative farmers and farmers with limited innovative capabilities**, but interested in new developments, and motivated to discuss ideas on improving their business performance.

### 1.4 What resources are needed for setting up the programme?

#### a) Financial resources

The cost of the preparatory work was some €16,640 covering:

- Communications & materials
- Organisational, financial & logistical preparation, including assessing participants and recruiting external experts
- Accelerator design and planning, including market research & preparation of site visits

Item	Cost
Communications & materials	€2,500
Organisational, financial & logistical preparation, including assessing participants and recruiting external experts (estimated costs of municipal staff)	€4,500
Accelerator design and planning, incl. market research & preparation of site visits	€9,640
<b>Total costs</b>	<b>€16,640</b>



### b) Human resources

Work for the preparation and setting up of the Masterclass was essentially shared between the different organisations involved:

- **WEcR:** the drafting of the conceptual outline of the Masterclass;
- **Municipalities** interested in participating in the programme: pre-selecting suitable candidates;
- **Food Cluster and WEcR:** Communicating the concept and arrangements of the Masterclass to potential participants, and the final assessment and selection of candidates;
- The total input from the Municipality for this stage is estimated €4500 (in staff time allocated to the Masterclass). The WEcR input is valued at €9640.
- Human resources municipal staff in preparation estimated 36 hours, in execution 112 hours.

### The main challenges of starting up the Masterclass

Main challenges were linked to reducing financial and motivational risks, and to reconcile conflicting requirements in organising the accelerator, notably:

- **Securing funding and aligning the schedule of funding decisions of donors with the needs of the programme:** this has been a time-consuming process, as multiple sources of funding (5 to 10 municipalities) were involved **and challenging as the preparatory work** had to start before all financial commitments were decided.
- **Organising inspiring workshops** with a focus on innovative models and practices and meet the basic expectation of the participating farmers to learn about practices that can be applied immediately in their daily operation. The first cycle had elements of trial and error and tested different approaches and modalities. Based on the experience of the first cycle, WEcR managed to develop a project design, that was financially viable, goal and needs-oriented, and based on the principles of innovation and mutual learning.
- **Ensuring the commitment of the participants to invest considerable time** (9 to 12 days depending on the homework assignments) for participating in the SFSC Masterclass, with the workload and work pressure of the farmers.



## 2. RUNNING THE RURAL DIGITAL HUB

### 2.1 Who runs the accelerator programme?

The Masterclass accelerator is **managed by a partnership of the two organisations that initiated it: Wageningen Economic Research (WEcR) and the Municipality of Rotterdam**, through its already established Food Cluster. Whereas the Business Innovation team of WEcR oversees the content side of the Masterclass and running all acceleration support services, the Food Cluster is responsible for carrying out all organisational, logistical and financial tasks.

The **workshops of the Masterclass/ accelerator are prepared and run by staff members of a research group of WEcR** specialised in strategic farm management (business innovation approach). They act as process mentors with general business innovation competence (with specific expertise in creating independent brands, using social media, event management or hospitality, etc.).

**Rotterdam Food Cluster** managed the budget of the Masterclass SFSC, which implies collecting the financial contributions, concluding contracts with WEcR and external experts, for catering, venues, or PR services, and paying invoices. In addition, it provided in-kind support by assigning municipal staff to co-organise the logistics of the accelerator programme free of charge (one senior and one junior staff member one day a week).

**Other parties involved** in the organisation and financing of the SFSC accelerator are local authorities (of nearby municipalities) in the region (financial contribution, “scouting”, and organisation of local workshops), the Provincial Government of Zuid-Holland (financial contribution), the vocational InHolland University of Applied Sciences Agriculture and Food (assigning four students to the team to conduct market research), and the regional association of business agricultural and horticultural businesses, LTO Noord (seconding an intern to organise the one day trip to Ghent).

### 2.2 Who are the participants of the programme?

43 businesses, with strong innovation potential, participated to two Masterclass cycles (i.e. some 21 entrepreneurs in one cycle), all of them aiming at increasing their market share in short food supply chains.

They were:

- predominantly farmers and greenhouse growers (arable farmers, dairy farmers, greenhouse growers, fruit growers, sheep and goat farmers), and several wholesalers for special food products;
- located in the Province of South Holland.

**Continuity of participation and communication** of the participating farmers with their co-working and co-responsible family members needed to be ensured, on what they have learned and what plans they will commit themselves to. For these reasons participating farmers have been allowed to be represented by their family members (spouses, children especially those who plan to take over the farm), or to be accompanied by a family member. This arrangement also has the advantage to get the most innovative thinker of a farm (which may be the wife or daughter) to participate in the Masterclass SFSC, rather than the main decision maker.



### 2.3 How is the accelerator programme run?

#### a) Programme stages

The SFSC accelerator involves a **series of workshops** with a specific goal and represents a step in the explication and development of a new business idea<sup>1</sup>:

1. The first workshop is about **understanding and sharing the current business models**, identifying and assessing the needs of the participants, prioritising the personal learning goals of each participant for the Masterclass, and starting to present their idea and strategy by applying the business model canvas approach, which is continuously elaborated in all further workshops.
2. The second is about **getting inspired** for new or adjusted business models (learning the tools to systematically build a new business model (such as Business Model Canvas) starting from consumer needs and desires, rather than from what the farm currently supplies and how that is done).
3. The third workshop is about **formulating the concrete steps** to be taken to get from the actual to desired situation, stimulated by additional questions of a coach and leading to homework assignment.
4. The fourth workshop is about **integrating additional findings and lessons learned** in the new business model.
5. The fifth workshop is about **preparing the final pitch**.
6. The sixth workshop is about presenting the **new business model** in the final pitch to a jury of experts and finance people.

In addition, to respond to specific needs and requests of participants:

- Further **three ad-hoc workshops** were organised bringing in expertise from outside (market trends, social media, branding, destination marketing, etc.).
- The second edition of the Masterclass also included the **option to participate in a pop-up market stall** at the Rotterdam Markthal, an indoor food market with over 80 market stalls, visited by almost 8 million people each year.
- Masterclass staff could be **contacted for advice and inspiration** (between the third and the final workshop, when the individual homework was assigned).
- There are also plans for future Masterclass cycles to bring in alumni from previous years to coach participants of the current year.

WEcR **used a mix of methodologies** to organise workshop sessions in an efficient and interesting way based on the principles of mutual learning and innovation:

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<sup>1</sup> Business ideas focused on product development (such as A2A2 milk or cheese, local dairy brand, strawberry bread spread, cheese fondue, gourmet goat cheese, milk bottled per cow); concept development (specialist greenhouse or multifunctional farm turned into local food hub, gourmet fries sold from a container shop, turning dairy cows into livestock); market development (organic cheese, halal meat, branding products and offering these on the site of an organic web shop); diversification (recreation, farm glamping, meat production from abandoned dairy cows, visitor centre at green house location, tailor made social care, kindergarten at a farm).



- Some sessions were based on **interaction with other participating entrepreneurs**, others on input from researchers (e.g. explaining the Canvas Business Model approach, summarising lessons learned from other short food supply chains), and somewhere based on professional input of experts (e.g. food market trends, branding, hospitality, social media).
- The discussion of the results of **individual ‘homework’ assignments** were also part of the programme; homework included conducting market research, contacting potential strategic partners, or obtaining new skills (e.g. producing soft rather than hard cheese).
- **Study trips abroad** (to Milan during the World Expo in 2015 and to Ghent in 2016) were organised to get inspired and meet innovators along short food supply chains to learn from first-hand experience and novel practices.
- The Masterclass SFSC programme also involved a meeting where **potential business partners** (wholesalers, institutional buyers, restaurants) presented their position towards local sourcing, thus providing an opportunity for assessing whether and where there is a business match.
- The final workshop of the SFSC Masterclass ended with a meeting where **five innovative business models are selected** (by the organisers Food Cluster and WEcR in the 2015 cycle, and by the participants in 2016) for the final pitch. The jury members nominated by WEcR consisted of local politicians (Rotterdam and nearby municipalities who finance the programme), banks, private investors, and SFSC experts. The jury assessed the pitching participants and made recommendations for next steps for turning their ideas into reality.

SFSC Masterclass participants have shown a **preference for peer-to-peer discussions** and exchanges in smaller groups (about 5 to 10 participants), facilitated and coordinated by WEcR staff. Working in plenary has often been used for the introductory and final round of a workshop, but usually it takes a rather long time for 20+ participants to explain their experiences to the whole group. Participants like to hear each other's full story even if it is in another sector, as everybody tries to build short food supply chains with the same geographical market in mind (Rotterdam metropolitan area).

The meetings have been **organised as much as possible at the participating farms**, where a tour was provided by the hosting farmer at the end of the meeting. Meetings usually started at 9.30 and finished at 16.30. Participants felt that this is a rather long period especially for dairy farmers who need to go home and milk the cows, if they don't have a robot yet.

In the 2015 cycle, part of the programme was operated (due to budget constraints) with the **help of civil servants from the municipalities** where participating farmers resided. This allowed a close interaction between participants and their local administrative and political environment (which was interesting for participants who wanted to discuss for example land use zoning to develop new business opportunities).

### b) Follow-up activities

The current Masterclass concept does not include any follow-up advisory, coaching or financial activity. For the next cycles of the masterclass, WEcR plans to create a structure where participants from previous years is given the opportunity to mix with, and help assisting new Masterclass participants (if funding is available). In 2016, WEcR made special efforts to connect participants to the RDP of the Province Zuid Holland to obtain funding under the measures for cooperation and physical investments of the RDP.



## 2.4 What resources are needed for running the accelerator programme?

### a) Costs

The Masterclass had the following main costs:

Cost item	(Estimated) costs
Fees for staff and mentors, coaches, experts	€42,650
Organisational activities of municipal staff (estimated)	€19,000 (estimate, in-kind contribution)
Location & catering	€14,000
<b>Total costs:</b>	<b>€75,650</b>
<b>Total cost/ enterprise:</b>	<b>€3,782</b>
Evaluation and dissemination of experience and results	23,000
<b>Additional costs</b>	
Pop up store in Markthal one week	€13,000 (only engaged 5 out of 21 participants)
Communications & materials	€6,000 (this post is not included in final overview)

### b) Funding

WEcR had to raise funding from various sources to cover the costs of the SFSC Masterclass, and to make strong efforts to synchronise financial commitments of the different sources and thereby reducing the risk of a financing gap during implementation. The overall budget of the 2016 SFSC Masterclass was funded as follows:

- the municipalities where participating farmers and growers resided were asked to co-finance the farmers' contribution (by an amount of €1000-2500 per farmer, €25,000 in cash in total);
- the Food Cluster of the Municipality of Rotterdam is managing the budget of the Masterclass SFSC and is doing all logistical and organisational work. In addition, it provided in-kind support by assigning municipal staff to co-organise the program free of charge (one senior and one junior staff member one day a week) - in cash contribution €10,000, in kind contribution estimated at €21,750;
- the provincial government of South Holland contributed to cover the costs of WEcR (€65,000)
- grants from third parties, e.g. farmers' association (up to €2,000)
- participants were asked to make a financial contribution of € 500 each.

### b) Human resources for running the accelerator

The team of experts within WEcR specialised in strategic farm management and business innovation was responsible for preparing and running the workshops and identify and commit external specialists with specific expertise (e.g. branding, using social media etc.). A senior and a medior researcher were working together, inviting 3 times external experts to contribute.

This team was complemented by a dedicated communications and publicity expert, and by a group of four students (attending the vocational INHolland University of Applied Sciences Agriculture and Food) to conduct market research and identified and assessed good practices.



### Specific challenges during the implementation of the Masterclass

The main challenges reported by the Masterclass organisers have been:

- **To keep farmers interested to participate in each meeting.** For some farmers (especially farmers without staff or children interested to take over the farm), six dedicated and three ad-hoc meetings, as well as a study trip abroad is difficult to reconcile given the operational challenges of running a farm;
- **To stay within the planned time and budget allocations** for WEcR and The Food Cluster. To mentor and coach more than 20 farmers requires considering a broad range of unique situations in which participants find themselves.
- **To build-in sufficient flexibility** into the content of the workshops, which have common modules for all participants, that need to be mixed with a customised approach in translating general insights into specific answers to the needs of the individual farmers and their business development.

## 2.5 What are the outputs, results and long-term sustainability of the Masterclass?

### a) Improved capacity of businesses & new revenue streams

The Masterclass engaged 43 businesses with strong innovation potential during two cycles.

The **SFSC Masterclass** defines the success of the accelerator primarily in terms of business innovation capacities developed and strengthened. Among others, participants improved their skills in term of:

- **thinking from the perspective of a client** was key for developing and improving marketing skills,
- **raising the self-confidence** of farmers and developing a spirit of initiative and entrepreneurship was a key enabler for developing stamina and tolerance to taking risk when engaging in an innovative venture,
- **bringing farmers into contact with relevant business partners** (match making).

Participants in the Masterclass assessed the main results and benefits of the accelerator in terms of the difference it made to the development and realisation of their innovative ideas. They agreed that the workshops provided a strong source of inspiration, motivation and encouragement to increase efforts and speed in building short food supply chains, with all the economic, ecological and social benefits for the quality of urban and rural life.

### Concrete examples of new business developments

- Dairy farmers have started to produce dairy products under a local brand **much earlier** than originally planned, because they had learnt that they could use a low-cost dairy processing solution and test their products on the local market themselves.
- Arable farmers have diversified to produce and sell **new products** like quinoa, and a dairy farmer got the idea to bottle milk per cow separately and was assisted in organising a market test.
- A greenhouse grower specialising in peppers left the collective auction system and diversified **starting to grow and sell a wide range of products** (including courgettes, squash, tomatoes, etc.) for the local market.
- Other dairy farmers **developed a brand** to sell meat from milking cows that are fattened after they finished producing milk.



## b) New exchange and learning opportunities through networking

Networking and peer-exchange have been important part of the learning process. The Masterclass:

- **stimulated and facilitated peer-to-peer learning** to open minds, receive encouraging feedback, and create a learning spirit,
- **provided examples** of innovative business models and practices inspired and enabled participants to engage and cooperate.

### Assessing the impact of accelerators

A formal evaluation of the SFSC Masterclass accelerator has neither been conducted so far, nor is it planned for the near future. Hence, there are not yet any pre-determined indicators or methods established to assess its impact. So far, the management of the SFSC Masterclass accelerator has used two sets of indicators to measure its impact:

- Impact of the **accelerator programme on the innovative idea pursued** by the participants. Indicators that are easy to monitor and verify are related to:
  - the business model canvas, an important tool which every participant needed to complete. Comparing the quality of the business model canvas developed in the first workshop with the version pitched at the final workshop, gives an indication for the number and quality of clarifications, substantiations and modifications;
  - the number of new connections made during the workshops with other enterprises along the supply chain, with sources of expertise, or with institutions providing funding;
  - the new ideas that have been developed and are in the process of implementation.
- Impact of the **accelerator programme on the general public**, local and regional authorities and communities engaged in rural-urban relationships in the Rotterdam region. Indicators used were:
  - Free media coverage and publicity, notably in the local press
  - Publicly funded projects to further develop, test and implement the new business ideas (including being able to attract RDP funding).

### If you had to give an advice to those who are planning to set up an accelerator programme what would it be?

*The main piece of advice would be to:*

- **Design the programme with built-in flexibility** when it comes to:
  - *Participants, by allowing key staff of a farm, such as spouses or children (successors), to attend,*
  - *The content of workshops, by accommodating specific design, planning and implementation needs of participants,*
  - *The financing of the accelerator, by tapping into a broad range of public and private sources, including a contribution by the participants themselves.*
- **Exploit the diversity and communalities** in terms of issues and problems of the group of participants for peer-to-per learning.
- **Be constructive and critical** at the same time and be as specific as possible to avoid repeating positions based on beliefs or stereotypes, rather than on evidence and validated experience.

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