

“The times, they are a changin’,” and these changing times significantly affect how senior nutrition programs function in their need to meet the demands of the population they serve. Programs need to change to meet both current and future needs. As communities change, so do the programs, services and systems change.

The older American population is increasingly diverse. As it grows in numbers, it also grows in racial, ethnic, economic, health, functionality, and housing diversity. Most older adults are relatively healthy, live at home in their communities, and rely on informal caregiver support when they need assistance. However, the fastest growing segment of the population are those who are over 85 years old and may need more community support.

Societal expectations, science, technology, media, healthcare, social services, home and community-based care, and long-term services and supports are also changing. An increasingly competitive environment for public and private funding means that programs need to provide more quality, patient-centered, effective, and efficient products and services. Their revenues must be enhanced through multiple funding streams and improved business acumen to keep up with evolving service needs and system changes.

OPPORTUNITIES

Build Sustainable Resources

Whether a community-based nutrition program experiences a recent decline in revenue, or a gradual tendency occurs over a period of time to dip into reserve funds, action is essential to remain sustainable. Identifying solutions to increase organizational revenue without sacrificing program quality or service demands is necessary for sustainable success. Successful nutrition programs have a mix of program revenue sources from which to draw when there are shortfalls in total program revenues. Whether it is a small program or a large program, there may be business opportunities that match your programs capabilities to help build sustainability and revenue generation.



Expand Existing Funding

Successful nutrition programs depend on funding revenues in addition to participant contributions and public funding, such as the Older Americans Act to support the need for services. These include private grants from foundations and businesses and fundraising activities such as special events, sponsored walks, and direct mail campaigns. As competition expands among other non-profit organizations for limited private funds, and the need for community support services have increased, nutrition programs must seek ways to maintain or expand their revenue sources.

Organizations who have lucrative fundraising activities maintain or build a donor base on which to rely on for continued funding. This becomes an ongoing process in which a significant amount of staff and volunteer resources are required with a return on investment that is sometimes difficult to predict or budget. Private grants, as sources of revenue, are usually program driven and not unrestricted in how the funds are to be used. However, although private grants are supportive of the overall mission of the organization, they may not be directed toward specific program needs such as meals or equipment purchases. Nevertheless, private grants may be an excellent resource to provide a pilot project that demonstrates and leads to future organizational sustainability or program direction. Funders appreciate projects that build on sustainability rather than just supplementing current program needs.

Engage in Innovative Business Models

For years, social entrepreneurship was promoted among nutrition programs as a solution to revenue shortfalls. The question to what exactly is social entrepreneurship and its effectiveness as the panacea to the woes of funding has yet to be answered. The term describes combining the social mission of the organization to give an opportunity to create or expand into something new. Although this creative thinking is exciting and stimulating to the imagination, the question becomes will it meet both the short and long-term funding needs of providing nutrition support to the clients and community the organization serves. For the purposes of this brief, Innovative Business Models will be described as an approach to create sustainable funding outside of the traditional public funding base for nutrition programs. A set of common strategies that can be explored and implemented, all or in part by most nutrition programs with the end goal of generating additional program revenue, is provided. Since community-based nutrition programs are unique within their own local community, the framework and business models are intended to stimulate creative thinking and problem solving. Contributing factors to the autonomy of community-based nutrition programs include organizational size and structure, community support, population size and diversity served.

Business opportunities may present themselves that may or may not be within the current service delivery scope of the nutrition program organization. These opportunities may include Enhanced Nutrition Services, which supplement or contribute to positive health outcomes of the clients or population served such as for-pay meal options, food delivery programs, meal kits or other nutrition and meal services. They may be considered Program Additions which result in additional revenue, increased public recognition or partnerships, but are still within the overall mission of the organization. These would include business ventures such as catering, contracted services, thrift shops, or event space rentals.

Explore Healthcare Market Models

In recent years, after the passage of the Patient

Protection and Affordable Care Act of 2010 (ACA), sweeping changes have been made to the healthcare delivery system across the country.

Based on necessary mandates, understanding the true impact of the changes imposed by ACA requires understanding how the current system evolved and the difference between where our system was and where it is going. Opportunities for partnerships and contracts with community-based organizations and healthcare entities have developed. Not only are these opportunities within the mission of the nutrition program organization to provide nutritional support, but it gives a chance to become a healthcare partner that can create significant impact on the social determinants of health for older adults. With their service and delivery structure in place, as a trusted community entity, nutrition programs have proven to be a valuable partner in this expanding healthcare market. More and more nutrition programs are finding their way through this maze of healthcare opportunities, strengthening or developing community partners, and reaping financial and economies of scale benefits. For more information on models for connecting with healthcare markets, visit <https://aginganddisabilitybusinessinstitute.org>, for a business planning toolkit for healthcare, visit <https://ncoa.org/wp-content/uploads/MA-Business-Plan-Toolkit.pdf>.

Common Strategies for Implementing Successful Business Models

There are common strategies essential for evaluating potential business opportunities and developing a successful program which will generate revenue for the organization. These are informed by examples of outstanding business models implemented by select community nutrition programs, understanding that each is unique within its community. The guidelines provide a framework for exploration and implementation.

1. Start with a Strategic Business Plan

The first step in deciding the right path is to develop an organizational strategic business plan for the future. This takes a guiding team that includes individuals with leadership, vision,

communication, and implementation skills. They must first acknowledge that there is an urgency to move forward, recognize potential opportunities, and create the organizational culture for change. The team can include management and staff, board members, current and potential partners, and community stakeholders that can assist in ensuring an organization has a competitive, revenue-generating business model.

2. Identify Your Nutrition Program's Assets

Look within your nutrition program's organization and assess the attributes and shortfalls within the organization that will lead to a viable business model. Taking the time to fully inventory the nutrition program's assets may provide some possible business ventures that were not previously considered.

- ✓ Identify the **cultural readiness and flexibility** to change from the staff, board, and volunteers. Consider how receptive the organization is to a competitive business model. Most nutrition programs have been in existence over thirty years, and some have developed a “no-profit” mentality and have become set in their business practices. A complete paradigm shift of the organization may be necessary to go forward with a mindset of organizational renewal.
- ✓ One of the most valuable resources of a nutrition program is the **program staff and volunteers**, who provide input using their level of expertise, knowledge and skills. To better evaluate your programs assets, these key questions must be addressed: Is there enough staff to take on the planning and development of new products or services? Does staffing include health professionals such as Registered Dietitians, Licensed Social Workers, and other professionals? Is the program's strength in food service management and delivery? Are the volunteers willing to take on new projects or tasks?
- ✓ **Operational resources** provide the base of a nutrition program's assets. It may be helpful to inventory all your programs assets, regardless of how they are currently being used:
 - A **kitchen** that is operated by the nutrition program, or is available to advance other business ventures, is one of the best resources to providing additional business opportunities. *Is the kitchen currently at maximum capacity during hours of program operations? Are there off hours that can be used for other food service purposes such as catering or USDA funded nutrition programs such as Child and Adult Care Food Program or Summer Food Service Programs?*
 - Food service preparation or delivery **equipment** that would support other business opportunities should be considered when developing a business plan. *Is your kitchen equipment sufficient for additional demand if needed, or is it at capacity? Does your kitchen have equipment available to do different types of production or service, for example blast freezing capability? Do you have a fleet of vans that can be used for other tasks beside food delivery? Do you have handicapped equipped passenger vans that can be used off-service hours for transportation programs?*
 - The **building** that houses the nutrition program's administrative offices or dining sites may provide an untapped source of revenue. *Are there meeting spaces that can be made available to outside groups for a fee? Are there unused office space that can be repurposed?*
- ✓ The amount of **financial reserves** an organization has is important to developing or expanding programs. It should always be assumed that any new program may require some initial startup expense for a period before any income is generated.
- ✓ Vital to the continuing success of a nutrition program, is the **community support** and the image they have within the community. Is there trust and support of the program in the community? Is the nutrition program recognized as a healthcare partner leading to positive health outcomes? Is the nutrition program part of a larger community anti-hunger initiative?

3. Identify Service Packages or Products

The service package or products to be expanded upon or added to is probably the most difficult to identify and implement for an organization. First, understand the market demands within your community, the voids for service or products, and the consumer wants and needs. If competing within a given market, differentiate your product or service to make it stand out as a remarkable and higher quality product that may even be lower in cost. Second, overlay the capabilities and infrastructure of the organization to provide the identified service package or product to be developed. Lastly, and most importantly, will it be worth the financial and staffing efforts to plan and implement? Can the actual cost of the product be calculated and compared to the price that can be charged and received? Nutrition programs do not have the available budget for formal research and development of a new service or product and sometimes must rely on successful practice models already implemented within the aging network. Can the organization build a successful business model and customize it to fit the abilities of the program?

4. Develop Marketing and Sales Strategies

Nutrition programs have had the luxury of the public knowing and understanding their main product and service. After all, senior nutrition programs, and specifically the Meals on Wheels brand had high name recognition, and almost universally favorable ratings among consumers. However, it may become necessary to develop marketing and sales strategies that will support the proposed service package or products. A new product or service, especially if it is outside the traditional scope of work or customer base, will take effort to market and sell. Learn the best approaches to reach the customer base, whether it is through the Internet and social media, word of mouth, or paid advertising, and evaluate what works best.

5. Sharpen Your Communication and Negotiation Skills

Nutrition programs are skilled at developing service plans and proposals to provide nutritious meals, and knowing the population and

diversity of the population served. Venturing into other markets may require additional **communication and negotiation skills**. This may include developing a value proposition marketing strategy with a well-articulated Return on Investment (ROI) that can be presented to potential business customers.

6. Know Your Program's Capacity to Deliver

It is important to consider your **program's capacity to deliver** any new or expanded product or service. Is there staffing to accommodate the development, delivery and management of the product or service? Is the facility and equipment sufficient to produce and deliver a quality product for a price that supports the venture and becomes revenue positive? Does the infrastructure of the organization include the information technology support for billing, reporting and monitoring? Are the principles of risk management, which identify, accept and manage possible risk, applied? Over-promising and under-delivering may preclude the success of a current or future business venture.

7. Implement a Continuous Quality Improvement Program

Every nutrition program should have in place a **continuous quality improvement program** whether they are providing services within their mission, or program expansions or additions. This includes setting standards, defining and measuring outcomes, monitoring for compliance, and acting to correct or modify these strategies as needed. The customer will always require a quality product to be delivered.

Innovative Business Models for Nutrition Programs

Examples of innovative business models that have been implemented by senior nutrition programs of varying sizes (small, large, and multi-service organizations) are provided. Each model demonstrates effective use of the organization's assets and capacity, to provide a product/service that has a consumer market within their community. These models are meant to inspire ideas and innovation that may lead to revenue generation for a nutrition program.

Meals on Wheels of Cheyenne, Wyoming

A Thrift Store (The Mart) provides the Meals on Wheels of Cheyenne with gross sales up to \$420,000 annually and a 37% net profit. Started as an annual garage sale fundraiser, The Mart now provides additional funds to serve 100 clients per year plus other program needs. With two full time staff and nearly 20,000 volunteer hours, The Mart uses retail sales and merchandising principles to become a successful business within their community of 50,000 residents.

<http://mealsonwheelsofcheyenne.com/mart-thrift-store/>

SeniorServ, Anaheim, California

A **Commercial Foods** operation has provided revenues in excess of 2 million dollars annually for the Southern California program. Using their 22,000 square-foot commercial kitchen, a business-driven strategy supports the SeniorServ social mission and creates a diversity of revenue sources for the program. The Cook-Chill food service equipment produces bulk food products such as salsas, sauces and beverage drinks that are distributed via a food broker to a grocery chain and restaurants throughout the area.

<http://seniorserv.org/about/commercial-food-services/>

Meals on Wheels People, Portland, Oregon

The Diner Vancouver brings together the Title III C Congregate Nutrition senior diners and the multi-generational community to eat and socialize together in a **Neighborhood Restaurant**. Open from 7 am to 2 pm, The Diner Vancouver offers food reminiscent of classic diner fare of the 1950's but with a hipster twist. With a special menu for the "Meals on Wheels People Diner Club", senior diners can choose from several menu items and still meet the Title III C nutrition guidelines. Opened in February 2019,

revenue from paying customers offset the cost of seniors' donations toward the cost of the meal. For even more positive revenue, The Diner Vancouver does not accept tips but encourages a contribution toward Meals on Wheels People as customers pay their bill.

<http://thediner.org>

LifeCare Alliance, Columbus, Ohio

L.A. Catering, a division of LifeCare Alliance, provides full **Catering Services** at their in-house event center, as well as throughout central Ohio. They cater business lunches, parties, reunions, weddings and other events. All profits from L.A. Catering are reinvested into LifeCare Alliance to support services for older adults, medically challenged and disabled individuals in central Ohio.

<https://la-catering.com>

Meals on Wheels South Florida, Plantation, Florida

Through Summer BreakSpot provided by Meals on Wheels South Florida, free, healthy breakfasts, lunches and snacks are available to anyone 18 and under through 74 locations throughout the county. Funded through the USDA Federal Summer Food Service Program (SFSP), the intent of the SFSP is to bridge the gap in nutrition during the summer months by serving nutritious meals to children while school is not in session. The program not only expands nutrition services provided but also fosters critical partnerships with other local anti-hunger organizations. With a high percentage of seniors caring for grandchildren or living in multi-generational households, this program supports anti-hunger within the community.

<https://bmow.org/summer-break-spot-program/>

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