

FEATURE OF THE WEEK

February 3, 2013 7:56 pm

# Sustainable enterprises give students food for thought

By Alina Dizik



After graduating from Babson College in 2011 with an MBA, Rachel Greenberger immediately began working at the business school.

Combining her love for food with a “desire to see change in the food system”, she launched Food Sol. The “Food Solutions Institute” is a think-tank-type initiative within Babson’s Lewis Institute for Social Innovation.

Previously, Babson did not have any resources for food entrepreneurs, says Ms Greenberger, who is now Food Sol director at Babson.

Food Sol invites MBAs to hear guest speakers over lunch while shepherding the students through networking opportunities in food entrepreneurship. After graduation students are encouraged to build or work in a sustainable food business, a niche that is still new for many MBAs.

Food Days, a conference also organised by the think-tank, attracts national food entrepreneurs and celebrity chefs. “The sense that there is a real market opportunity [in food business] is relatively new,” adds Ms Greenberger.

Many MBAs – like those at Babson – are turning food entrepreneurship into the next business school buzzword, with students collaborating to start businesses focused on sustainable food practices. In the past few years MBA students have done everything from turning food waste into organic fertiliser to selling organic baby food.

Others are launching incubators and clubs related to the topic to promote a business school network of up-and-coming food start-ups.

## Developing a taste for entrepreneurship

Some MBA students with an interest in the food industry are

“People are becoming much more discerning about the things they put in their bodies and that creates an opportunity for entrepreneurs,” says Murray Low, director of Columbia’s Lang Entrepreneurship Center in New York.

turning their passion for good food into a business.

At Columbia Business School there have been at least 10 food-related ventures out of about 50 that have emerged in the past three years of the school's flagship entrepreneurship programme, with companies selling artisan tequila, American-style pepper sauce and biodegradable cups for restaurants.

Meanwhile in California, after taking a course at Stanford Graduate School of Business on electronic business in 2010, Brendan Marshall and Ian Ferguson put together a business plan for a food-related start-up. Their venture, Kitchit, encourages home-based dining with the quality of a fine restaurant.

Users pay top-tier chefs an average of \$50 to \$100 per person to have a multiple-course dinner cooked in their home kitchen. Users start by browsing various dinner packages and reviews on the site.

Officially launched in 2011, the company now offers private dining experiences in Los Angeles, San Francisco, Chicago and New York. Some Kitchit chefs work on their days off from restaurants, while others are already full-time personal chefs. Many of them have also appeared on reality television programmes, written books or worked in Michelin-starred kitchens.

“Since chefs [are] the main character to all things food, we had the idea of building a business around the chef,” says Mr Marshall.

Current and former business school students are spearheading much of the change. After graduating from Columbia Business School last May, Krysia Zajonc launched Local Food Lab, a California-based incubator aimed at entrepreneurs eager to jump into the food industry. Creating an incubator programme aimed solely at food businesses helps entrepreneurs – who previously would have been lumped in with the wave of technology start-ups – to find a specialised network of food entrepreneurs, says Ms Zajonc.

“When it comes to margins, scalability and exit size, food start-ups do not resemble tech start-ups at all,” Ms Zajonc says. Regulations around food are another hurdle, she adds.

Entrepreneurs pay \$2,500 to join the Local Food Lab incubator and receive six weeks of mentoring as they work towards launching their company. About 15 per cent of participants are former MBAs, she estimates. This year, the Local Food Lab incubator will work with MBA students from Stanford Graduate School of Business, who will serve as mentors to the start-ups.

“Since food start-up founders often come from unconventional business backgrounds, [Stanford] mentors will work with them on topics like business plan development, market testing and pitch presentations,” says Christine Su, the Stanford student behind the mentorship programme.

While other areas of Stanford University promote food-related opportunities, business school infrastructure around food initiatives such as the food lab is still being built, she says. “There’s a great ecosystem that’s fairly mature around tech entrepreneurship, but food entrepreneurship, security and sustainability is going to be a big global trend,” says Ms Su.

Attention from venture capital funds looking to invest in food-related businesses has contributed to interest from business school entrepreneurs, says Robert Puro, co-founder of Seedstock, a Los Angeles-based company that hosts events and publishes a sustainable agriculture website. Mr Puro, an MBA graduate from the UCLA Anderson School of Management, says sustainable enterprise was once focused on energy and water but is now

encompassing food.

MBAs no longer view food as a money-losing pursuit, he adds. For business school students, “it’s less about advocacy and more of an economic opportunity to create value and turn a profit”. Mr Puro hosts sustainable food conferences at Anderson through Seedstock twice a year. The events help to connect current MBAs with established agriculture investors.

...

In response to student interest, some schools are ramping up academic research in the area. At Oxford university’s Saïd Business School, there has been increasing interest in food-related issues of sustainability, says lecturer Catherine Dolan, who specialises in sustainable food and agriculture. Last year, Saïd and the anthropology department formed the Oxford Food Governance Group, to conduct and share research on issues of sustainable agriculture as well as offering a regular lecture series to students.

Ms Dolan points out that there is growing concern about sustainability on the national level, including issues of fair trade and the nature of the supply chain, and the subject is becoming more important within the business world.

A few schools in other regions are following suit by focusing on food and agriculture within their sustainability initiatives. In 2011, IMD held a seminar on the Future of Food and started offering an executive education course on embedding sustainable agriculture strategies in companies. And the Indian Institute of Management in Ahmedabad offers a postgraduate programme in agri-business management, looking at topics including emerging food, retail and microfinance.

Back in California, in her incubator programmes Ms Zajonc is using two Harvard Business School cases of organic food companies that were released in the past three years. In future, she believes that business schools will provide further research for food entrepreneurs.

**Printed from:** <http://www.ft.com/cms/s/2/125f25a4-3fa6-11e2-b0ce-00144feabdc0.html>

Print a single copy of this article for personal use. Contact us if you wish to print more to distribute to others.

© THE FINANCIAL TIMES LTD 2013 FT and ‘Financial Times’ are trademarks of The Financial Times Ltd.