

The L3C As An Engine for Economic Development
A Case Study: Endless Sky L3C

Steps to Drive Economic Development for your Community and Achieve Economic and Mission Success for your L3C.

1. Planning Process – identify and discuss the nature of the problem, the best solution to the problem, and how it fits into the L3C business structure. Develop a plan to involve as many people as possible who can help provide the solution.
 - a. Identify the problem to be solved?
 - b. How can it be solved?
 - i. “The solution can be found in the problem”
 - c. Mapping out the Inter-connectedness and interdependence of each sector.
 - i. Avoid straight line thinking approach. Use ecosystem approach
 - ii. Build a mega-community - Who are the best partners (sectors) to accomplish the mission?
 1. Gain local officials/stakeholders support
 2. Identify community’s assets
 - a. Built, Natural & Social
 - b. Systems & Organizations
 - iii. Is this group capable of completing the task?
 1. Study groups available capital – financial, material, social, natural, cultural, experiential, intellectual & spiritual.
 - d. Is the L3C the best business model to solve the problem?
 - e. What is the economic engine to drive the L3C—profitability?
 - f. How does Program Compliance fit in?
 - i. System-wide operating agreement
2. What will be the output of the L3C?
3. Who are the Stakeholders in the L3C and who will benefit from the L3C?
4. How is what you are doing providing economic impact?
 - a. Local, Region and/or State?
 - b. Growing from within & Attracting from without

Endless Sky: A Case Study

1. **What is the problem?** No processing infrastructure, family farms dying, small rural communities struggling, need for more food for local safety-net organizations, low-income and unemployed households struggling economically.
2. **What is the solution?** Endless Sky L3C -- an independent for-profit company that combines true integration of mission and revenue generation in a self-sustaining operation to provide food for hungry people in Montana yet earns all its income from the sale of high quality, locally focused products based on healthy fresh foods. Endless Sky L3C will provide much needed food processing services and an outlet that will add value to Montana grown food. The raw product needed for the project will help create a local market for Montana producers. Endless Sky L3C will use more local crops, thus creating new jobs at farms and small towns across the state.

- 3. What is the inter-connectedness? Who will benefit?** As the 4th largest state in the nation and the 2nd in the nation for agricultural production, Endless Sky L3C has a huge opportunity to increase economic development throughout the state and especially in smaller rural communities where most agricultural production is located. By reinvesting in food manufacturing in Montana, Endless Sky L3C provides an economic engine that spans the spectrum of the State's food industry. Providing a market for small farmers to grow more high-value crops encourages these farms to add more employees to plant and harvest the crops, helping to re-vitalize these small towns in much the same way as the oil shale boom in Eastern Montana and Western North Dakota. As more local food becomes available and demand for local food increases, local food retailers will have an opportunity to buy directly from local growers instead of buying their fresh product from out of state. Endless Sky L3C will develop a transportation system within the State to pick up product from local growers while delivering processed product from the processing facility in Missoula. In addition, product for local food pantries can be transported to communities on the same truck delivering Endless Sky products. As Endless Sky L3C increases its success, small markets can be opened in food desert areas of the State to provide local food to those who can afford to pay for it and for those who cannot.
- 4. Who are the best partners to accomplish the mission and are they capable of completing the task?** Farmers by nature are a collaborative group, other nonprofits (AERO, Ag Innovation Centers), group of individuals within local communities, local and state governments, etc.
- Farmers prefer to work as cooperatives--
- What are the various capitals they have to deal with?
- Small family farms – time commitment, low output, marketability of product, equipment needs
- How can Endless Sky L3C help meet their needs?
- Provide opportunities to use group purchasing power for common purchase of equipment.
 - Provide Back Office and Administrative support.
 - Provide a market for their product.
- 5. How is the L3C affecting the lives of these individual businesses, farmers, nonprofits, communities?** Farmers will have a market for their high-value crops; small rural communities in food deserts will have co-op markets and grocery stores, small communities (mostly agricultural) will begin to thrive again -- with more income for the farmers comes more purchasing power to support local businesses. Services from nonprofits like AERO, Commodity and Livestock groups and Ag Innovation Centers will be more in demand. Best of all, the mission of Endless Sky, L3C – to provide food for the hungry will be met!
- 6. How is what we are doing as an L3C having an economic impact?** Bringing food processing back to the state, creating jobs across several and varied business sectors, revitalizing small rural communities, and most of all meeting the mission of Endless Sky L3C by providing healthy food for hungry people across the state.

Based on endless sky's experience and the audience input here are the takeaways.

Plan – Define the problem, find the solution, get the right people on the bus.

Legal Business structure -- Make sure you are using the right business model to achieve the best results.

Action – What is the “product” that will drive your L3C's economic engine?

Network – Who are the Stakeholders? Depending on the solution and the economic product, the stakeholders may vary.

Map out the Problem --

- Don't use linear approach.
- How many jobs will this create?
- Map out interconnectedness/interdependence.



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