



(New, rural) business models, their mechanisms and impacts

BM name	Food waste redistribution (franchising)
Type	Social economy Job creation Territorial development
Sector	Food Services
Organisational scale	Social enterprises
Short description	Creating a social enterprise that focuses on redistributing food that would otherwise be wasted to other charities and social enterprises at a discount. Once this model is created it is then franchised to other regions, in order to maximise the social benefits and minimise the transaction costs and administrative burden often associated with setting up a new social enterprise.
Mechanism	Food which is in danger of being wasted in the supply chain (for example due to damaged packaging or approaching sell-by dates) is taken to a central collection point. This helps the usually large-scale retailers or caterers, such as supermarkets supply chain operator avoid landfill charges and provides them with positive PR. All this food must be of merchantable quality. It is then redistributed to other charities and social enterprises for a fee that represents mostly the cost of the transportation and overheads of the collection point. Labour is a mixture of volunteers and those who are on state sponsored return to work schemes, with a core of paid staff.
Innovativeness	The innovation lies in the way in which the social returns are maximised through integrating the beneficial business operations and keeping 'values' in circulation for as long as possible. This is achieved through leveraging a detailed knowledge of various business, institutional governance and local embeddedness. The flows of food from the food chain link rural and urban areas in complex ways.
Value creation	Mixed – saving the environmental damage of food waste, maximising social value by using a social enterprise to support other social enterprises and charities.
Customers, product/service, revenue streams and main cost items	Customer(s): Charities and social enterprises. Product(s)/service(s): Food, Revenue stream(s): Redistribution, training Main cost items: Appropriate premises, organisational insight and training.
Societal impact	Beneficial (e.g. energy transition, new jobs, empowering women to do business): <ul style="list-style-type: none"> • Preventing food waste • Creating employment/training opportunities • An indirect subsidy through cheaper food to partners Negative (e.g. pollution, spoiling the landscape, over-exploiting natural resources): <ul style="list-style-type: none"> • Good PR for the conventional food chain • Does not address causes of food waste – in fact the franchise model depends on food surpluses • Long term impacts not yet assessed.
Rural-urban synergies	As rural areas remain the primary point of food production and food products, they are linked into this form of food chain. Re-distribution hubs and beneficiaries in a variety of areas.



Connections with labour market and employment effects	These projects require a core of highly skilled and experienced staff, but many roles can offer employment and training opportunities (e.g. apprenticeships and return to work initiatives) to staff.
Enabling factors	<ul style="list-style-type: none"> • Key group of entrepreneurs with skills and experience • Strategic opportunity in the supply chain or infrastructure • Access to buildings and infrastructure • Network prepared to receive and use the food
Limiting factors	<ul style="list-style-type: none"> • Lack of access to strategic niche – food in danger of being wasted • Finance for investment in facilities • Legal infrastructure to create layers of organisations
Key partners and actors directly involved	Corporations Civil society (NGOs, CSOs)
Role of (local) government	Regulator, host (in case of building availability), sponsor and client.
Connections with the institutional / policy environment	The institutional arrangements are vital for creating these opportunities, for example, the EU waste regulations created a chance to divert food at risk of being wasted and knowledge of the UK landfill taxes. Similarly, knowledge of the rules to allow profits to be shared, employment to be targeted, requires an in-depth understanding of the policy environment. Appropriate contacts within the food chain, including corporate actors very important.
Internal/network governance arrangements	See below
Examples	The core organisation is FareShare UK which has provided the template (franchise) for 17 independent organisations across the UK, on a regional or city-wide basis. This allows the network to make use of the partnerships struck with corporate food actors such as supermarkets and trade bodies but makes the operation more robust as each franchise is self-reliant.
BM references	See – www.fareshare.org.uk and https://faresharesouthwest.org.uk/
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