

# **OHIO'S 2013 BUSINESS ENTERPRISE PROGRAM**

*By: Marie Keane, RSVA Board Member*

At the RSVA summer convention, we were fortunate to hear from Christopher E. Hayhurst, the Ohio Program Administrator. He had become the Administrator of the state of Ohio Vendor Program just six months earlier, although for the past twenty-nine years, he had been part of the agency that oversees the vendor program.

Mr. Hayhurst shared with the RSVA membership some facts about the Ohio Business Enterprise Program. They have 109 BEP facilities around the state. There are 919 sites (vending) with 103 licensed operators currently in facilities and 5 newly licensed looking for a location.

The average income for a licensed vendor after service charges (Set-Aside) is \$39,699 as of year 2012. The sales for the Ohio Business Enterprise Program were 17.6 million dollars in year 2012.

Their service charge (Set-Aside fee) is calculated as a percentage of what the net income is. When the net proceeds per month are \$1000, then 10 percent is calculated for a service charge. If the net profit is \$1500, then 15 percent is charged. Higher

net profits are capped at a 20 percent charge. These service charges (set aside money) are collected from the vendors to pull down as much Federal match money as they can. This money is used to fund the program by buying new equipment, maintenance/repairs, and sometimes for staff costs. When there is money left over, it is split among the vendors for retirement plans. The current budget is listed at 3.4 million dollars.

The Ohio BEP is trying to modernize their program. Due to retirements and deaths of staff, they are working on getting the program up to date with new staff.

They are in the process of establishing more micro markets, increasing lottery in some facilities, such as rest areas, and going to colleges to open businesses there.

They are beginning to partner with Starbucks in which they have two locations at this time. The two Starbuck-like facilities are located at the Air Force base and the other is in downtown Columbus.

Ohio's facilities are located at rest areas and colleges, and state and federal buildings which include cafeterias. The cafeterias are low profit making facilities and are being phased out or changed into another type of vending facility.

There are only 3-4 cafeterias left in Ohio's program.

He also stated that they have 35 rest areas with licensed blind vendors. In secondary locations (not operated by LBVs) 30% of the commissions from Coca Cola sales are placed into the Benefits package for the vendors. The rest area vendors do pay a utility fee of \$11.55 per day as well as a janitorial fee of \$300.00 per month per side. The secondary rest areas (those not operated by LBVs) pay \$.39/day for utilities, plus \$300.00 per month for the janitorial fee per side.

Near the end of the session with Christopher Hayhurst, Richard Bird (newly elected RSVA Board member), said "In BEP, like any business, we need a good CEO that understands the organization and understands the business. What is needed in Ohio is some kind of business plan and growth and nobody has been coming up with any kind of ideas. We are trying to get the Shop24's on the college campuses to boost some of our incomes."

Jim Cyrus, of Shop24, stated the Shop24's are ten feet wide, ten feet in height, and 13 feet deep. To enter the storage and back for replenishing product, it is like a big walk-in cooler that has an item on each shelf with a number. Seven items, soft drinks to toilet paper, can be selected at one time. Each shelf can hold up to ten pounds. The

facility is always surrounded by cameras. College age students have no problem with selecting a product by entering the number on the keypad, putting in their credit card, and going back to the library to study. It is an impressive concept!

Jim also discussed the inmate commissaries and snack bars. While listening to all of the Ohio program details, it was important to surmise that Ohio has a fairly impressive program with full intention to grow and improve the facilities for its licensed blind vendors.

RSVA would like to thank Mr. Hayhurst for sharing his program statistics and efforts to update and expand their BEP program. We would like to also thank Richard Bird and James Cyrus for sharing their wealth of information on past services and the new exciting outlook for Ohio's future.