

The Challenge

connection

P U T T I N G A B I L I T Y T O W O R K

THE POWER OF SOCIAL ENTERPRISE



Finger Lakes Fresh General Manager Steve Holzbaaur (left) stands with Charles Hamilton at the greenhouse on Pinckney Road

Board of Directors in 2005 where his entrepreneurial experience and not-for-profit background made him a valuable asset to an already strong board. But in March of this year, after serving on the board for almost six years, Charles made the transition to a new and very significant role for the agency. In the newly created position of Social Enterprise Director, Charles is leading the effort to redefine the way we do business.

Social Enterprise merges the social goals of not-for-profit organizations with sustainable financial objectives. In Challenge's case this means employing individuals with barriers to employment in the organization's own business enterprises which generate sustainable income that is redistributed to other Challenge employment programs and limits our dependence on shrinking public funding.

"It means a double bottom line – social and financial," Charles says. "We want to be 'Best in Class' in two ways.

"Challenge has been a pillar of the community for more than 40 years," Charles continues. "It's one of the best-run local agencies. To continue this success we have to be proactive. This economic climate is forcing change, whether we like it or not. Instead of watching our own decline, we're moving forward. We're coming from a position of strength right now, with a fantastic foundation to build on. This allows us to be more dynamic and take advantage of the skills we have. If we just continue to operate as we have in the past, watching state funding decline, then our existing resources will evaporate and we'll miss our chance. This

CHARLES HAMILTON WORKED AS A JOB DEVELOPER and VISTA Volunteer for not-for-profits in Seattle before returning to Ithaca to earn his Cornell MBA and co-found and run multiple businesses. He joined Challenge's

is cutting edge on a national level for an agency like ours. We want to be a model."

As soon as he joined the Challenge staff Charles immediately began collaborating with managers and staff to take a fresh look at operations, identify possibilities for increasing efficiency and explore new revenue-generating opportunities. Significant steps have been taken toward the expansion of Finger Lakes Fresh, a larger food packaging operation in the Work Center, and advancements have been made in the Digital, Commercial Cleaning and Dishroom businesses. "Charles combines his training and background as an entrepreneur with a commitment to the Challenge mission and this bodes well for the future," Challenge President Patrick McKee says of Charles' efforts.

This is cutting edge on a national level for an agency like ours. We want to be a model.

"We want to make an investment in growth and in providing more opportunities for a greater number of people. The better we do business, the more opportunity we can offer and the more flexible we can be," Charles emphasizes. "An integrated workplace is the secret to success. Hiring workers with and without barriers will mean higher productivity and a more positive and diverse work environment. Integrating workers into community life has long been a high priority for us."

"The way of the future is to chart our own course by creating successful Social Enterprises that generate revenue based on the strength of the services and products we provide," Charles concludes. "We're a mission-driven business. The goal of helping people to succeed at work remains the same. Social Enterprise is the tool that helps us to do this better."



From left: Challenge Social Enterprise Director Charles Hamilton, Not-for-Profit Leader Robert Egger, and Challenge President Patrick McKee

A MESSAGE FROM PATRICK



Patrick McKee
Challenge President

It is not a well-kept secret that New York State is in the midst of a financial crisis and as a result has been putting increasing pressure for change and economies in the delivery of human services. When the Challenge Board of Directors held a lengthy planning session this past spring the major issue was how to prepare for and in fact thrive during the anticipated hard times. The discussion was entirely focused on supporting the Challenge mission: the provision of employment and opportunity for those who need it in good economic times as well as bad.

The result of the planning session was a commitment to invest in the businesses and services that are most under our control. Challenge has an advantage over many human service providers in that we have a long history in business operations. As state and federal support fades, we are looking to our business operations more and more to support our mission. The board has supported these efforts over the years and renewed and expanded that support.

One very visible sign of this commitment is the addition of a new position. Charles Hamilton has come on staff as our Social Enterprise Director. We knew Charles and he had already become familiar with Challenge as he served on our board. He is a young entrepreneur, a graduate of the Johnson School at Cornell, and has experience with several start-up businesses in Ithaca. He is able to combine business acumen with a commitment to our clients and the community. He is quickly getting up to speed and working on several expansions.

We have talked for years about the need to grow Finger Lakes Fresh and that is the first assignment that Charles has drawn. This project is moving rapidly along and we are optimistic. For the first time we have the capacity to make expansion possible and to build on the significant experience that has been accumulated over the years.

In addition to Finger Lakes Fresh we are building on our other business lines and adding services when appropriate. Social Enterprise is really a mindset and it will come to characterize all of our work. We expect to serve our mission and we are finding new ways to do that. We do not intend to wait passively for someone else to tell us what to do. This is clearly a time of transition for our field but this also makes it a time of opportunity. As you read on in this newsletter I am optimistic that you will come to share the view that individuals who come to Challenge will continue to be well served and that the agency will continue to thrive.

A handwritten signature in black ink, appearing to read 'Patrick J. McKee'.

Patrick J. McKee
President

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Finger Lakes Fresh

Finger Lakes Fresh is one of a kind! It was the first Controlled Environment Agriculture (CEA) hydroponics grower of leafy greens in the world, and Bob LaDue, the greenhouse's Technical Manager, is one of the nation's foremost experts on CEA. What started as a research project at Cornell has developed into one of Challenge's most successful Social Enterprises, providing greens and herbs to customers from Vermont to Maryland. Originally created to enable year round agriculture in New York State, the greenhouse has become a golden opportunity for Challenge.

Finger Lakes Fresh produce has been extremely well received by our customers who appreciate its freshness and year round availability. We sell all of the greens we produce. But operating on such a small scale within an agricultural model has always made profitability difficult for the greenhouse. It has become clear that in order to survive rising costs the greenhouse must expand. Efficiencies created by expansion will allow us to compensate for many of these economic pressures, create new jobs and generate greater, more sustainable income – satisfying our Social Enterprise goals.

To gear up for the construction of an additional greenhouse in Groton, management changes were made this spring. In addition to the hiring of Social Enterprise Director Charles Hamilton, Steve Holzbaaur was hired as Finger Lakes Fresh's General Manager to handle existing daily greenhouse operations. This move allows Bob LaDue to focus on the significant planning that will be required in order to nearly triple the size of the business.

Steve comes to Finger Lakes Fresh with 15 years of experience in marketing, distribution and operations of agricultural products – in both the for-profit and not-for-profit sectors. He had already been consulting for the greenhouse for more than a year to help build new sales and distribution networks. "I'm a huge proponent of Social Enterprise," Steve says. "Working with Charles brings tremendous

SHERYL SINKOW PHOTOGRAPHY



Gaw Tha Paw prepares lettuce for packaging at the greenhouse

experience and fresh perspective. Bob knows so much about the growing process, and absolutely does what it takes to make his customers happy. The collaboration with these guys has been great!"

This expansion project will require a significant financial investment, but the dividends it's expected to pay are tremendous. "Finger Lakes Fresh adds value to our community by

keeping agriculture in New York State," Bob says of the greenhouse. "We provide high quality produce consistently, keep members of our community permanently employed, and generate income to support Challenge's social mission. I believe strongly that people in our workforce contribute positively to society."

The social mission clearly comes first to everyone affiliated with Finger Lakes Fresh. "Being at Finger Lakes Fresh has been a pleasure," Steve says. "I've really enjoyed getting to know all the greenhouse workers and seeing how empowered they are by the significant role they play in the success of our business."

"We have a great opportunity with Finger Lakes Fresh to build a sustainable Social Enterprise for Challenge," Charles says enthusiastically. "The entire team there and the investments Challenge has made over the last five years put us on solid ground to grow the business – both as a fantastic place for folks to learn to succeed in work and to provide income to support Challenge's mission."



Finger Lakes Fresh General Manager Steve Holzbaaur (left) and Technical Manager Bob LaDue

What's new at Finger Lakes Fresh?

A greenhouse expansion plan that will nearly triple the size of the Finger Lakes Fresh operation

Work Center



Work Center Manager Russ Maracle

“Everything to me is an opportunity,” Production Manager Russ Maracle says about the potential funding cuts that Challenge is facing in the future. “It’s time for change.” Russ sees the chance to create additional sustainable income for Challenge by seizing promising opportunities and taking advantage of the business experience we already have in the

Work Center. “If we can’t find creative ways to generate more of our own income, we may well be faced with closing the Work Center in the future. This would mean letting down people who have worked with us for decades – letting down our community. I can’t even imagine that!”

Russ is looking at possibilities for expanding revenue streams and bringing in additional work contracts that are appropriate for the Work Center. Plans for an expansion of the food packaging area are already underway, with local food producer Raymond Hadley committing support for the project. This partnership will enable Challenge to create new business relationships with other food producers, and is expected to add six to ten new jobs for workers both with and without disabilities, creating an even more fully integrated work environment.

“An integrated workforce is a motivating environment,” Russ is quick to point out. “Those with fewer skills are supported both physically and mentally while working side-by-side on jobs that some would not have the opportunity or skills to work on. Along with the benefit of an increased work pace, the spirit of the individual worker soars. They gleam at their accomplishments at the end of the day and know they are truly part of a winning team. A proud worker is a good worker!”

With a communications degree from Cornell and background in television, radio and advertising, Russ Maracle has brought very strong leadership and marketing skills to his ten-year career managing Challenge’s Work Center. He has a deep commitment to the people he works with. Like everyone else in the working world, the people employed in the Work Center—widely varied in their skills—appreciate a positive, productive and rewarding work experience. Russ’s standards are very high for the personal satisfaction his crew gets from a job well done and for the finished

products and services he provides to his business customers. “Russ is an outstanding manager and a great guy to work for,” says Work Center supervisor Will Rogers. Will’s fellow supervisor Natalie Purvis agrees. “He’s very straightforward, he lets you know exactly what he expects, and then he gives you his complete support in getting the job done. He never accepts less than 100% in the work we do for our customers.”

What’s new in the Work Center?

A raw foods packaging center

In addition to the providing economic and social value to our clients, the Work Center is a competitive, income-generating business enterprise that serves hundreds of business customers. The Work Center has a commitment to providing high-quality work and customer service in the shredding, packaging and assembly work we do. “There are no excuses for anything but the best for our business customers,” Russ says.

Naturally, growth of the Work Center and other Challenge businesses will require investment in infrastructure – equipment and space – in order to realize the goal of sustainability. But the result will be a more socially and economically strong operation – a true Social Enterprise.

“We’re making the changes we know we need to make,” Russ says, “and we’re looking forward to a bright future.”



Digital Services

Challenge's Digital Services work can be found in archives across the Eastern Seaboard with clients like Duke University, the New York Public Library, the National Baseball Hall of Fame, Cornell University and Tompkins County. With such impressive contracts, Challenge is becoming known as a leader in archival digital services. Alan Thomas, Digital Services Manager, says he would like to see Challenge become synonymous with archival scanning, the way, as he puts it, "Kleenex is seen in the tissue world."

Alan, who has a degree from the Rhode Island School of Photography, has been involved with Challenge Digital Services since its beginning in 1992 when the partnership between Challenge and Cornell's Photo Services Department began. Alan was working for Cornell at the time and took a leadership role in the smooth transition of the Microfilm & Digital Services from Cornell to Challenge in 1996. He has managed the department ever since.

"I've enjoyed every day of the nearly 20 years I've been affiliated with Challenge," Alan says. "My crew gets along and works very well together. I think that the positive, integrated work environment makes for happier, more motivated workers. There's a real openness about asking for help and offering help – it's a very supportive team."

Alan finds tremendous inspiration in the digital crews he has managed. He reflects on one extraordinary member of his team from many years ago. "Frank Lucas suffered from severe arthritis and chronic pain. But he had such a strong sense of purpose and pride in his work that he never missed a day. His outlook was so optimistic, even as he later battled cancer, that it still motivates me to this day. If Frank could be positive through everything he had to face, there's no excuse for me to be anything less."

Patty Hoffman, a longtime member of the digital team, is retiring



Digital staff member Patty Hoffman



Digital Services Manager Alan Thomas

this summer after 24 years with Challenge – 11 of them in the Digital Department. "I've learned so much in the time I've been here. I'm still learning something new every day. I've also watched the people around me – people with disabilities and without disabilities

– grow and learn from each other. I've loved working for Alan and I'll really miss everyone here."

In looking to the future of Digital Services, Alan is very optimistic. "We have a new Photo & Document Scanning service that we're testing out now, which is an exciting project. People can send us their family photos, libraries or historical societies can send us their archives, and we'll scan them at a high resolution and return the photos with DVD digital copies that'll keep their photos beautifully preserved."

What's new in Digital Services?

A premium photo and document scanning service for families and businesses

We're also in the process of completing a multi-year project with Tompkins County to digitize their records," Alan explains. "It's been such a great

experience working with the folks in Tompkins County on this project that we're hoping to get the opportunity to do the same thing for other counties in New York State."

"Working with Charles (Hamilton) and a group of MBA students from Cornell has been great for the Digital Department. The fresh perspectives, new ideas, and sharp business sense have been very helpful in improving the way we operate and the prospects for the future," Alan says.

With promising expansion plans in Digital Photo & Document Scanning, Alan hopes to make Challenge's Social Enterprise commitment even stronger and to continue to meet and offer opportunities to many more inspiring people like Frank Lucas.

Dishroom Operations

“We have a very strong family atmosphere here,” Dishroom Manager Larry Workman says of the rapport that exists among the workers in the Challenge Dishroom Operations. He oversees nearly one hundred employees at both Ithaca College and Cornell, integrating all of them into the family. His ability to connect with his staff runs deep, having essentially begun his relationship with Challenge in their shoes.

With a degree in Criminal Justice, Larry worked as part of the Crisis Team at the George Junior Republic until an injury forced him to change his line of work. Larry went through ACCESS-VR (Adult Career and Continuing Education Services-Vocational Rehabilitation) and was referred to Challenge. He worked initially as an Employment Advisor, before assuming the management responsibilities for the Dishrooms.

Larry is happy to go the extra mile for all of his employees. “I do whatever’s needed,” he says with regard to teaching and supporting his staff. Dishroom Operations employs a wide variety of people – men and women from teens to near retirement age, with and without employment barriers. The integration provides an atmosphere different from many other workplaces and allows for constant social interaction. “It’s not just about coming to work,” says Assistant Dishroom Manager Amanda Chaffee. “We sit and eat meals together. We talk to our staff about what’s going on in their lives. If they need some extra support, we’re there for them.”

Larry’s crew was able to add a number of new jobs in 2010 when they took over staffing at some of Cornell’s dishroom facilities. Cornell has been pleased with the new program and is expanding the contract to include dining room attendant services. Scott Davis, Operations Manager at Cornell Dining, is very happy with the success of the dishrooms. He likes that crews are there every day and the rooms are cleaner and stocked faster.

At their annual picnic in May, all of the Dishroom employees receive



Dishroom Manager Larry Workman

recognition for their hard work and share one more afternoon together before the summer break. “People work harder when they feel valued and appreciated,” Larry says about his management philosophy.

The significant financial and programmatic success that Dishroom Operations has seen over the past seven years under Larry’s leadership speaks to the merit of his philosophy.

Through this program Challenge has provided short and long-term employment for hundreds of workers who are looking to enter or re-enter the workforce. This kind of work experience, under the supervision of trained and experienced human services staff, is an exceptional opportunity for many people who need extra support. Managing these combined social and fiscal goals is what Challenge is becoming increasingly well known for. We hope, through investment in our businesses and refinement of our services, Challenge will become a very successful model for the future.

What’s new in the Dishrooms?

Expansion to Cornell Dishroom Operations and dining room attendant services



Phil Neigh at work with his lunchtime crew



Lennie Elliott shows off his awards at the Annual Picnic

Commercial Cleaning



Challenge Commercial Cleaning Manager
Rich Roman

When most Challenge staff are ending their working days and heading home Commercial Cleaning Manager Rich Roman is just starting his. His crew of 15 bonded and insured workers operates mostly behind the scenes to keep the professional spaces of several local businesses clean. Rich has been managing this team for seven years, and during that time the business has continued to grow. Over the past several months businesses like Family & Children's Services of Ithaca, Better Housing of Tompkins County, Novomer, Primet,

e-Cornell and the Sciencenter have been added to the list of our Commercial Cleaning customers.

These evening work hours are convenient for some workers with barriers who, during daytime hours, can take GED classes to earn a degree, or for ESL (English as a Second Language) workers who

take daytime English classes. As with all of the Challenge-run businesses, the Commercial Cleaning business is supportive of workers who are trying to improve their skills and gain valuable work experience.

"We have a good crew," Rich says of his team. "The

economy is tough right now, but with the support of many local businesses and the hard work of my crew, we're doing well. As part of our commitment to social and environmental responsibility, we're now offering our business clients the option of service contracts that include the use of some or all Certified Green Cleaning Products. We need to keep our customers happy and keep moving forward, and I believe we can be very successful in the future."

One member of Rich's crew, who is always a pleasure to work with, is Steve Berghorn. Steve has been with the Commercial Cleaning crew for a little more than a year and can be found, depending on the day of the week, at Challenge or at one of several of the businesses we contract to clean for. "I like working with different people on different crews. It keeps things interesting, and the people are really nice. I'm glad I can still be working," Steve says. Steve is employed part-time, which works well for his particular needs.



Steve Berghorn is part of the Challenge Commercial Cleaning crew that provides services to several area businesses

Jimmy Severino, who has worked for Challenge for 23 years, is a true veteran and a beloved fixture of the cleaning crew. He always seems to be where he's needed, doing what needs to be done. The positive and uplifting contribution he makes, not only through the value of his work but through the gift of his wonderful nature, is priceless. Jimmy, Steve and Rich are part of the diversity of people and opportunities that Challenge is known for, and that make Challenge an excellent place to work and to do business.



Jimmy Severino working to keep Challenge's packaging area clean.

What's new at Commercial Cleaning Services?

The addition of several new business customers and a complete line of Certified Green cleaning products.

Challenge

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“The goal of helping people to succeed at work remains the same. Social Enterprise is the tool that helps us to do this better.”

Charles Hamilton
CHallenge Social Enterprise Director

*Creating Jobs,
Building Partnerships*

