



BUSINESS AND FINANCIAL MANAGEMENT

INTRODUCTION:

By building on what you do best and diversifying into new areas, whilst ensuring you adapt to changing market conditions, can bring continuing success in business.

Sound business planning will help you to identify your objectives, give a firm foundation for decision making and help to secure investments over the short to medium term.

You do not need to write a business plan or research your market to be successful, but not doing so can lead to unexpected problems and potentially, business failure.

Business plans are normally required to proceed with any grant applications and are essential for attracting funding and investment.

Planning will allow you to think more clearly about what you are doing and where you are going, to set the right tone for your business and even help you craft your brand messaging.

This brief guide contains a breakdown of the key topics to consider, with links to relevant information and practical tips to help commercial growers in Wales consider how to plan to establish and grow their business.

The following resources from Tyfu Cymru are recommended. They provide a useful introduction to Business and Financial Management:

- Our e-lesson covering business planning and management: <https://www.tyfucymru.co.uk/elearning/>
- Our Horticulture Leaders Forum - Business Development Masterclass: <https://www.tyfucymru.co.uk/knowledge-hub/webinars-videos/webinar-horticulture-leaders-forum-business-development-masterclass/>

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1. BUSINESS SUMMARY

Having a written statement of what your business does, and the milestones you aim to achieve, will help you to define your business purpose and why you are different.

The Business Model Canvas (<https://www.bmc.com/blogs/business-model-canvas/>) can help you visualise all the building blocks needed when you want to start or grow a business.

The following questions can help you consider how you will operate and develop over time:

1. Is your business structure right for your current stage of business growth - whether that's a sole trader, partnership or limited company?
2. Who works in the business? How are decisions and responsibilities split? What are individual skill sets? What do individuals bring to your business? Do you have any skills gaps?
3. Do you have any Professional Advisors (Accountants, Solicitors, Consultants or Specialist Advisors) that you can rely upon to help you on your journey?

Useful webinars and resources provided by Tyfu Cymru can be found here:

- [Webinar: Horticulture Leaders Forum – Expert panel debate](#)
- [Webinar: Horticulture Leaders Forum - Sustainable Business Masterclass](#)
- [Webinar: CSAs in Wales: Good Governance Workshop](#)
- [Webinar: Considerations for leasing land and creating contracts](#)
- [Webinar: Assisting Growers to Navigate the Planning Process](#)
- [Gaining Planning Permission: Advice for food growers and CSAs \(Wales Only\)](#)
- [Apprenticeships – how can my business benefit?](#)

2. BUSINESS RISKS

Every decision you make as a business owner involves risk and every business faces potential threats. Regularly reviewing these can help you manage these risks and turn potential threats into opportunities. Some useful questions to consider include:

1. How did you reach your current position in the market? Do you need to adapt your approach to maintain or grow your market?
2. Who do your products or services appeal to? Who are your key customers and suppliers? How do you maintain a good working relationship with them?

Completing a SWOT Analysis will help you to evaluate your business's competitive position. SWOT is an abbreviation for Strengths, Weaknesses, Opportunities and Threats. A useful factsheet is here: <https://www.cipd.co.uk/knowledge/strategy/organisational-development/swot-analysis-factsheet>

Useful webinars and resources provided by Tyfu Cymru can be found here:

- [Cyber security for farmers: Practical tips on how to stay safe](#)
- [12 Steps to GDPR Compliance](#)



- [Welsh Ornamental Growers Immediate Experiences of and responses to COVID-19](#)
- [Welsh Fruit & Vegetable Growers Immediate Experiences & Responses to the COVID-19 crisis.](#)
- [Food Safety: What are the risks from food?](#)
- [Microbiological Risk - What can we do?](#)
- [Webinar: Ask the Expert: Cyber Security](#)
- [Webinar: Ask the expert: GDPR](#)
- [Webinar: Food Safety for Market Gardeners](#)
- [Webinar: Horticulture Professional Development Programme Taster: Doing more with less.](#)

3. KNOWING YOUR SECTOR

Is the market you operate in new, not very well established or mature? Is it growing, stable or declining? Understanding the external factors that have an impact on your business can help you shape your offer, establish your price point and develop your customer base.

A PESTLE analysis can help you identify these external factors. PESTLE is an abbreviation for Political, Economic, Social, Technology, Legal and Environmental. A useful factsheet is here: <https://www.cipd.co.uk/knowledge/strategy/organisational-development/pestle-analysis-factsheet>

Useful webinars and resources provided by Tyfu Cymru can be found here:

- [Toolkit: Starting a Horticultural Attraction](#)
- [A grower's guide to registering with Farming Connect](#)
- [Considerations for Starting a Market Garden](#)
- [How to Write a Business Plan for Community Support Agriculture \(CSA\) Projects](#)
- [Importing, Exporting and Moving plants, including Plant Passporting, in Wales and importing and exporting to countries in the European Union Example Guidance to finding information \(November 2022\)](#)
- [Do I need Planning Permission? Advice for food growers \(Wales Only\)](#)
- [Webinar: Exports in Horticulture](#)
- [Webinar: Imports in Horticulture](#)
- [Webinar: Planning for the 2021 Season - Soft Fruit](#)

4. PRODUCTS AND SERVICES

Thinking about what you do and why it's needed by your customers, as well as how you will compete with other businesses that offer the same or similar as you, can be vital when assessing the quality and value that your business offers.

The following questions can help you assess your produce and services:

1. How is your produce grown, processed and delivered to your customer? How do you ensure quality? What makes your produce or service unique?
2. Are you operating at full capacity, or do you have scope to grow?
3. How did you arrive at your selling price? What production costs are involved?
4. What UK or other legal obligations are you required to meet? Are you adequately insured?



The Ansoff Matrix is a practical tool to help you consider how you can develop and diversify in a straightforward way. A useful description is here: <https://www.ansoffmatrix.com/>
Useful webinars and resources provided by Tyfu Cymru can be found here:

- [Technical Advice Sheet Online Booking Systems for Pick Your Own](#)
- [Opportunities and practical information for growers looking to start flower farming in Wales](#)
- [Understanding Ecommerce: how to make the most of your online offer](#)
- [Pick your Own \(PYO\): What you need to know to get 5* rated \(part 2\)](#)
- [Webinar: Making your business stand out from the crowd with Neville Stein](#)

5. MARKET AND COMPETITION

Customers' needs can change and so can your competitors. Regularly reviewing your competitors' strengths and weaknesses and comparing them to your own, can help you stay relevant and adapt to your customer needs. Consider the following questions to help inform your thinking:

1. What market research have you done? What did you find?
2. Who are your typical customers – consumers, public or private sector buyers, other small businesses? How do they usually find you? Or do you find them? What can you do to ensure they become repeat customers?
3. Who are your competitors? How do you differ from them? How will you continue differentiate yourself?

Porters Five Forces Analysis is a tool to help identify the main sources of competition in your industry. A useful description is here: https://www.mindtools.com/pages/article/newTMC_08.htm

Useful webinars and resources provided by Tyfu Cymru can be found here:

- [Pick Your Own \(PYO\) Flowers – Diversification Opportunities](#)
- [Vale Pick Your Own Diversification Success Story](#)
- [Video Guide: Relocating business pin on google maps](#)
- [Webinar - Diversifying into Horticulture: Diversification business models and routes to market](#)
- [Webinar: Integrating Farm Tourism into your Horticulture Business](#)
- [Webinar: Community Supported Agriculture: Knowing your Vision, Values and Purpose](#)



6. MARKETING IMPLEMENTATION PLAN

Effective marketing can be fundamental to achieving sales which is essential to any business. Having considered the benefits that your business provides, what makes you different to the competition and who your typical customers are. The following questions can help you consider ways to get your message across to buyers.

1. What is your Unique Selling Point? How do you tell customers about this? What communication channels do you use?
2. What needs to happen to help you achieve sales? What resources do you need?

The **4Ps of Marketing** is a common framework to use when planning your marketing activity. The 4Ps is an abbreviation Product, Price, Place, Promotion. A useful description is here <https://www.investopedia.com/terms/f/four-ps.asp>

Useful webinars and resources provided by Tyfu Cymru can be found here:

- [BiteSize Digital Marketing Series: Google Analytics and getting found on Google](#)
- [Tyfu Cymru BiteSize Digital Marketing Series: Setting up a shop on Facebook](#)
- [Tyfu Cymru Bite-Size Webinar: Facebook Advertising](#)
- [Webinar: Key to success – Marketing and Selling your business](#)
- [Webinar: Logo Design and Branding for Business](#)
- [Webinar: Take your email marketing to the next level using Mailchimp](#)
- [Webinar: Effective use of Facebook and Instagram](#)
- [Webinar: How to quickly start selling online](#)

7. FINANCIAL INFORMATION

Understanding how your business has performed and your expectations for the future are crucial to managing a successful business. Whereas evidence of current and projected financial status, cash flow and revenue projections are vital for attracting potential partners, funders and investors.

A good starting point is to look at why your sales and profits are growing or declining. The following questions can help you think about ways to manage this:

1. Have you completed a financial forecast? If so, what were your key assumptions and are these accurate?
2. What happens to your business if you increase sales by 10% or your costs increase by 5%? How does this impact upon your resources and your funding or cash balances?
3. Do you have a financial requirement? How much do you need and why do you need this? How do you manage your cash flow?

A Break-Even Analysis is a useful way to determine what level of sales you require each year to cover your costs. A useful description is here: <https://www.investopedia.com/terms/b/breakevenanalysis.asp>



Useful webinars and resources provided by Tyfu Cymru can be found here:

- [Investment in a small-scale horticulture grants scheme could significantly increase the amount of veg produced in Wales](#)
- [Managing a financial crisis: Is e-commerce the answer?](#)
- [Looking for grants? A guide to what is available...](#)
- [Our Guide to Mobile Card Payment Systems](#)
- [Managing a Financial Crisis](#)
- [Improve your finance and accounting practices](#)
- [Funding to Support Wales' Horticulture Sector](#)
- [Webinar: Horticulture Professional Development Programme: Managing Cashflow](#)
- [Webinar: How to master Financial Spreadsheets using Microsoft Excel](#)
- [Webinar: Veg network - Box scheme Financial session](#)

8. CASE STUDIES

Other case studies and success stories provided by Tyfu Cymru can be found here:

- [Virtual Tour of Quinky Young Plants](#)
- [Success Story - Mostyn Kitchen Garden](#)
- [100% funded training helps Hooton's Homegrown re-energise their horticulture enterprise](#)
- [Eat Your Greens Success Story](#)
- [Success Story - Buzzy times for Honey Brook](#)
- [Pembrokeshire Chilli Farm Case Study](#)
- [Introducing the Winner of the Tyfu Cymru Award](#)

Notes

Every effort has been taken to ensure the information contained within this guide is accurate and current at the time of writing. We cannot take responsibility for links to external websites.

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