





Chapter 1

Planning Your Enterprise

- **1.1 Organisational Structure and Financial Implications**
- 1.2 Fundraising
 - 1.2.1 Potential Funders & Investors
 - 1.2.2 Crowdfunding
- **1.3 Market Research**
- **1.4 Marketing and Communications Strategy**
- **1.5 Understand Your Product, Processing and Quality**

<u>Issues</u>

- **1.6 Finding Advisors**
- 1.7 Producing a Business Plan
 - 1.7.1 Financial Forecasting
- 1.8 Setting up Financial Record Keeping
- **1.9 Relevant Legislative & Certification Obligations**

Link to Chapter 01 Grown in Totnes Case Study



You have been inspired to set up your own enterprise, you have a vision in mind. Before you get too deep take the time to flesh out the idea. Creating a business plan is a useful format to follow. Consider the key aspects of your enterprise and get them down on paper; this will also highlight areas of research to be undertaken to evidence a viable market for your idea.

Considering how you set yourself up at the beginning could save you a lot of work later, and the organisational structure that you choose for your enterprise will affect finance streams available to you. It can be difficult to foresee the future shape, and inevitably this will change over time, but knocking ideas around with others with knowledge and expertise and exploring different scenarios will be invaluable. Resist assuming that because you have a good idea everyone else will think the same!

1.1 Organisational Structure and Financial Implications

What organisational structure is appropriate for your enterprise? Explore the pros, cons and restrictions of the different options: Sole trader, charity, CIC, Ltd company etc.

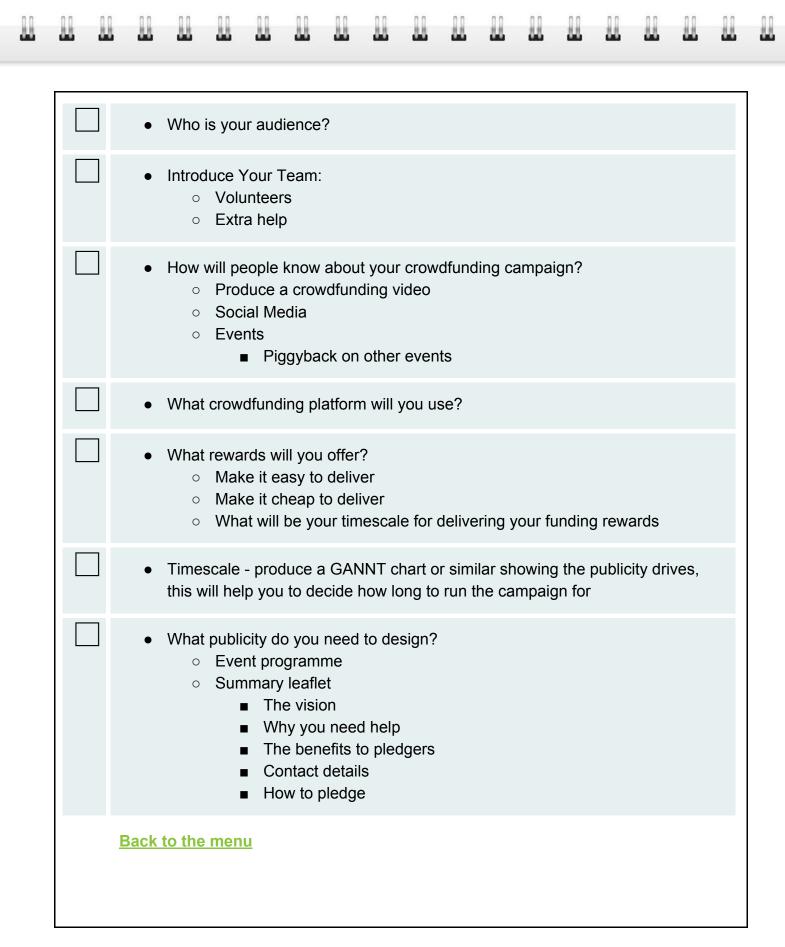
There is a wealth of free information about appropriate organisational structures and cooperatives:

- Starting in Social Enterprise A practical Approach: Starting in Social Enterprise - e-workbook 2010-11.doc
- How to Set up a Workers Cooperative Radical Routes: <u>Set up a Workers Coop.pdf</u>
- Simply Start Up A guide to the Process of Setting up a Cooperative or community enterprise: <u>SimplyStartUp 0.pdf</u>
- Developing a Social Enterprise A Resource Pack: Developing a Social Enterprise.pdf
- Simply Governance A Guide to Systems and Processes concerned with running a sustainable community enterprise: <u>CoopsUK_SimplyGovernance_webdownload.pdf</u>

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1.3 Market Research
Are you filling an existing gap in the local food market?
What is your evidence of need?
Who are your beneficiaries? Farmers Retailers Bakers etc
Who is going to grow for you? The Soil Association or Organic Farmers and Growers might help you to identify farmers in your local area to grow for you
Who has done something similar that you can learn from?
Who is in competition with you?
What makes your product unique or different?
How much of a similar product do local shops sell in your area?
How often will households buy your product?
Speak to members of the public
What is the on-shelf price range for other products like yours?
Understand what is important to your market and retail outlets e.g organic, local, healthy, cheap etc
Understand the price structure of grain crops and products e.gcosts from the farm

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¹ Thanks to John Letts for his guidance

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Distribution costs
Paying back loans
Reinvesting profit into machinery and premises Upgrades
Vehicles for the organisation
Website upgrades etc.
 When will you break even? Will your cashflow hold out that long?
 What will you do with your profit? (We don't think it will make you filthy rich unless you know something we don't!)
How will you come up with your price?
Back to the menu
1.8 Setting Up Financial Record Keeping
Online Software e.g Xero, Quickbooks, Sage
Simple Excel records
Receipts
Invoice keeping
Budgets

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