



Chapter 1

Planning Your Enterprise

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[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:
[Set up a Workers Coop.pdf](#)
- Simply Start Up - A guide to the Process of Setting up a Cooperative or community enterprise:
[SimplyStartUp_0.pdf](#)
- 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:
[CoopsUK_SimplyGovernance_webdownload.pdf](#)

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Decide whether to become VAT registered:

Visit HMRC links to advisory pages:

- [VAT for charities - GOV.UK](#)
- www.gov.uk/vat-registration/when-to-register

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Find out if you can claim Corporation Tax relief on your Research and Development (R&D) project, Visit HMRC link to advisory pages:

[Claiming Research and Development tax reliefs - GOV.UK](#)

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Business rates relief.

Talk to your local authority. You can get re-rated and properties can be split up into units with separate rates. Visit HMRC link to advisory pages:

www.gov.uk/apply-for-business-rate-relief/small-business-rate-relief

1.1.2 Undertake a Skills Audit

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- Compile a list of skills required

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- Do a skills audit of people already involved and consider the dynamics between team members

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- Match these to the people you have on board

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- Options for finding external skills
 - Sub-contractors
 - Advisors
 - Working with a larger organisation
 - Volunteers
 - Interns
 - Partnerships
 - Official or unofficial coach or mentor - to help you see the bigger picture and develop strategies to obstacles you encounter
 - Further training & courses for existing team members

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1.2 Fundraising

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Create a Fundraising Campaign

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Simply Finance - do a comprehensive guide to financing a community enterprise:
[SimplyFinance_webdownload.pdf](#)

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Set Up Financial Record Keeping

- Visit the case study section of this chapter
- Online Software: Xero, Quickbooks, Sage

1.2.1 Potential Funders & Investors (depending on your organisation type):

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- Charitable Trusts
- Council Funds
- Government and Lottery applications
- Other Businesses
- Philanthropists
- Networks

Some funders will want you to match-fund their offer

1.2.2 Crowdfunding

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- What is your funding request?
 - What will it enable you to achieve?

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- Who is your audience?

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- Introduce Your Team:
 - Volunteers
 - Extra help

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- How will people know about your crowdfunding campaign?
 - Produce a crowdfunding video
 - Social Media
 - Events
 - Piggyback on other events

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- What crowdfunding platform will you use?

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- What rewards will you offer?
 - Make it easy to deliver
 - Make it cheap to deliver
 - What will be your timescale for delivering your funding rewards

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- Timescale - produce a GANNT chart or similar showing the publicity drives, this will help you to decide how long to run the campaign for

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- What publicity do you need to design?
 - Event programme
 - Summary leaflet
 - The vision
 - Why you need help
 - The benefits to pledgers
 - Contact details
 - How to pledge

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1.3 Market Research

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Are you filling an existing gap in the local food market?

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What is your evidence of need?

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Who are your beneficiaries?

Farmers
Retailers
Bakers etc

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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

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Who has done something similar that you can learn from?

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Who is in competition with you?

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What makes your product unique or different?

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How much of a similar product do local shops sell in your area?

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How often will households buy your product?

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Speak to members of the public

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What is the on-shelf price range for other products like yours?

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Understand what is important to your market and retail outlets e.g organic, local, healthy, cheap etc

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Understand the price structure of grain crops and products e.g

- costs from the farm

- what your costs will be
- the margin you need to achieve
- the margin retailers expect
- how to achieve a fair price for farmers

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Understand your overheads

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1.4 Marketing and Communications Strategy:

(For more detail see [Chapter 8 - Marketing and Communications](#))

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Who is your target market for your product? This might be more than one group – be specific. This useful document [Branding – Developing Your Brand](#) will talk you through:

- the process of identifying your target audience
- the journey they need to take in order to choose your product
- how to market yourself and how to evaluate your marketing efforts

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Who is your customer?

Provide a pen portrait of them – a detailed description of your customer

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How will you tell people about your products and idea?

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What are your key brand messages?

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Why should people trust you?

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What makes your product special?

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What is the tone that you wish to use in your communications?

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Click on the link to find some useful information about about brand recognition:

[The Basics of a Food Product Marketing Plan](#)

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Click on the link to read about how the Pip and Nut nut butter business started up and about their marketing strategy:

[The Entrepreneur-spiration Series: Going nuts for Pip & Nut](#)

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What communication channels best suit your enterprise?– face to face, via social media, in print?

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How often will you use each communication channel?

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Route to market:

- Where will you sell? E.g. Markets, shops, restaurants?
- How will your customers be able to buy your products? From you, through distributors, online or bricks and mortar?

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1.5 Understand your Product, Processing and Quality Issues

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The following article gives an overview of the quality issues to consider, the content of which we go into much more detail in Chapter 5 - Care of the Crops:

[Quality Assurance for Small-Scale Rural Food Industries, Chapter 2.1 milled products](#)

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Remember to account for losses:

- If processing grains which will be dehulled you need to account for the loss of weight during processing due to the hull being removed – this will push your final cost up Weight loss for spelt depends a little on the variety, but assume 30-35%¹
- If milling white flour the loss of bran is another weight (and volume) consideration

¹ Thanks to John Letts for his guidance



See [Chapter 7 - Pricing and Delivery](#)

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1.6 Finding Advisors



Network with sympathetic/useful organisations:

[UK Grain Lab](#)

[Organic Certification, News, Classified ads, Useful information](#)

[Landworkers Alliance](#)

[Grain, mills, flour | Real Bread Campaign](#)

[John Letts | Lammas Fayre Heritage Flour](#)

[PX+ Festival](#)



Attend relevant conferences:

- Oxford Real Farming Conference
- UK Grain Lab
- <http://breadandjamfest.com>



Find local people doing similar things - farmers, growers, businesses



Hold a local meeting for interested parties/ volunteers potentially through a sympathetic organisation so you can tap into their network



Work with local academic institutions

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1.7 Producing a Business Plan

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Examples:

- A business model design tool - [Business Model Canvas – Download the Official Template](#)
- Red Ochre - Writing a Business Plan - [Writing a business plan\(Word\)\[1\].doc](#)
- Social Enterprise Works - Business Plan Guidance Notes - [Developing a Social Enterprise.pdf](#)
- Business Plan Template for Social Enterprises - [BusinesPlanTemplate.pdf](#)

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What is your vision?

You will need a short synopsis of your project - this is the sentence that will hook people in. How would you explain your vision in one sentence?

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- Why is your vision needed?

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- What are you offering?

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- How will you realise your vision practically? Start simple, with one crop - wheat is easy to process and not too hard to grow, scale up year on year once you have established your systems and markets

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State your organisational structure

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Identify Your Team:

Skill set
evidence of track record
practicalities of who will do what
Advisors

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Create a GANNT chart or equivalent showing timescales & actions along the way and what you need to do to achieve your goals.

This short tutorial will explain the key features of the Gantt diagram, show how to make a simple Gantt chart in Excel, where to download advanced Gantt chart templates and how to use the online Project Management Gantt Chart creator.

[How to make Gantt chart in Excel \(step-by-step guidance and templates\)](#)

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Competitor analysis: look at similar businesses, USP, what do they do well?
E.g. Shipton Mill, Sharpham Park Spelt, Rude Health, E5 Bakehouse, [Small Food Bakery](#) , [Wessex Mill](#)

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Do a SWOT analysis - [SWOT analysis](#)

1.7.1 Financial Forecasting

Include:

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- Capital costs

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- Calculate cost of running equipment

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- Overheads

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- Insurance: employers insurance, public liability, contents for machines etc.
vehicle insurance if relevant

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- Local rent

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- Check local business rates

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- Staff costs

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- Paying wages

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- Marketing and communications

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- Printing and packaging

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- Distribution costs

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- Paying back loans

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- Reinvesting profit into machinery and premises Upgrades

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- Vehicles for the organisation

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- Website upgrades etc.

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- When will you break even?
 - Will your cashflow hold out that long?

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- What will you do with your profit? (We don't think it will make you filthy rich unless you know something we don't!)

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- How will you come up with your price?

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1.8 Setting Up Financial Record Keeping

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Online Software e.g Xero, Quickbooks, Sage

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Simple Excel records

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Receipts

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Invoice keeping

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Budgets

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Tax

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1.9 Relevant Legislative & Certification Obligations

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Register as a business with your local authority

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Food Hygiene training certificates

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HACCP and H&S, Risk Assessments

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First Aid provision

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Fire Safety

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Trading Standards

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Relevant insurance: Public liability, employers, contents insurance (equipment and crops) etc.

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Organic certification

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