

Growing Cut Flowers: From Seed to Vase

Vicki Stamback, Owner, Bear Creek Farms, Inc., Stillwater, OK

The ABC's of Growing Success

The following is a list of the top five things to know regarding cut flowers:

A– ASCFG (Association of Specialty Cut Flower Growers). This group offers great resources and people, but like anything else, you must participate if you want to learn anything. If you'll take the time to get to know the members, ask questions, and volunteer, you will in turn receive friendship and helpful information.

The next is B– Business Plan. This, perhaps the most important step, is often the one new growers or business people fail to complete. Putting together a business plan will clarify your intentions and confirm whether or not you're ready to proceed. Most of all, a business plan keeps you focused and helps things run more smoothly. The business plan will also help you get a business loan if you need it. Financial institutions want to know that you are thinking and have a vision for the business. It is your job to tell them about it in the business plan.

The next is C– Cost accounting. You have to know if what you are doing is profitable. If not, do you want to work for free? If you don't know if you are making money, you'll probably be working for free and not know it. Everyone does cost accounting a little differently, so find a method you can work with and adjust it until you have exactly what you want. Cost accounting can answer many questions you may have about your business.

The next is F– Fear. Don't let fear run your business or

determine solutions. Everyone has fears, and our fears often stop us from doing something important. Working through fears takes time, but once accomplished, your business will run much better and you will make better decisions.

And finally, the next is V– voluntary. Remember every day that you volunteered to start a cut flower business—no one MADE you do this. This simple thought will make a lot of difference. Anytime you have a problem, remember that you made the decision to do this, and you will find faster, more positive solutions.

Besides these five principles, the following alphabetical guide should prove helpful:

- A - ASCFG: Join and participate; it's a great resource.
- B - A business plan is a must to keep you focused and on track.
- C - Cost accounting. Start it now and it will get easier every year. Plus you'll know if you're making money.
- D - Don't give up.
- E - Don't hire employees until you have no choice. It will be easier to get ahead without them.
- F - Fear: Don't let it run your business or determine solutions.
- G - Greenhouses can be a great season extender and will expand your options.
- H - Hoophouses will have the same effect as greenhouses.
- I - Give yourself an income from the beginning, and plan for it to increase.
- J - Just do it. Do not procrastinate on anything.

About Vicki Stamback and Bear Creek Farms

"I have had my own cut flower business for five years and am working toward year-round production. My degree is in landscape architecture, so I've had to learn everything the hard way, but my degree has come in handy too. I currently have five greenhouses and grow approximately six acres outside. I grow a total of eighty different crops and I currently have three full time and four part-time employees.

"Bear Creek Farms specializes in flowers that don't ship well as well as ones that just look better if they haven't been shipped. In the last five years the farm's major crops have changed drastically with the addition of greenhouses and experience. Bear Creek sells its product to florists and two wholesalers. An item I personally work on very hard besides quality is cost accounting— to make sure that what I am growing is really making money. There are very few growers that do this

and have no idea if they are really making money or not.

"I got started in cut flowers by working as a research technician for Dr. John Dole while he was at OSU and did cut flower research. I am a member of the Association of Specialty Cut Flower Growers, have been a speaker at their national conference, and will be a speaker at their conference this year in Madison, Wisconsin. I have also applied for and received two SARE (Sustainable Agriculture Research and Education) grants for cut flower research.

"On a personal note, I do love what I do but if anyone thinks it sounds like fun or they will get rich quick, you may want to consider another field. It is very hard work, very labor intensive, and you have to really stay on top of things and do the cost accounting to stay ahead and know where you stand."

- K - Knowledge: Always look for more and share it with others.
- L - Life is too short not to be happy. Find something to be happy about every day.
- M - Management: If you aren't good at it, attend a workshop to help you. It's very important.
- N - Nutrients: Your crops depend on it. Soil tests every year will help tremendously.
- O - What is your real objective getting into this business? Is it realistic?
- P - Problems: Be ready for them with creative thinking and a positive attitude.
- Q - Quality, Quality, Quality. It's the only way to be better than your competition.
- R - Records. Keep records on everything; it will make life easier for you every year.
- S - Sell every stem. If you don't plant it, you can't pick it, and if you don't pick it, you can't sell it.
- T - You must be truthful with your customers and yourself. Also, try, try, try again. This is true for customers, crops, methods, and just about everything in life.
- U - Strive for the unusual; it keeps things interesting.
- V - Value-added: What can you do better than the competition? Voluntary: Remember, you volunteered for this. It will help on the rough days.
- W - Water: Make sure you have enough of it.
- X - Expect the unexpected every day.
- Y - Yin and Yang, a basic principle in everything. You get what you give.

Z - Be zealous: ardently devoted to a purpose, fervent, enthusiastic

BUSINESS PLAN OUTLINE

This is a very good business outline to follow. Revise it frequently and give as much information as you can in each area. Remember, a business plan keeps you focused and organized and informs people who know nothing about what you are doing.

Executive Summary

Write this section last, so you can give a good one to two-page overview of the plan as a whole.

Industry Analysis

Assume the banker or investor reading this plan knows nothing about your industry. Try to give him a mini-education in this section: what the opportunities are, what's going on in the market, who the big players are, and how they have succeeded.

Market Analysis

After giving a macro view of your industry, talk specifically about what's happening in your geographic market: what the opportunities are, who the competition is, how you can differentiate yourself from them, and how you will succeed, given market demands and trends.

Business Description

Describe your business: how long it has been in operation, its legal structure, who the owners are, what your short-term goals are, and why you need money now (for expansion, marketing, equipment purchase, or debt reduction).

Test Your Own Potential

On a scale of one to ten (ten being the highest), evaluate your strengths and weaknesses regarding these entrepreneurial characteristics:

Capacity for work	<input type="checkbox"/>
Goal-oriented	<input type="checkbox"/>
A self-starter	<input type="checkbox"/>
Good judgment	<input type="checkbox"/>
Self-confidence	<input type="checkbox"/>
Honesty	<input type="checkbox"/>
Persistence	<input type="checkbox"/>
Problem-solving	<input type="checkbox"/>
Risk-taking	<input type="checkbox"/>
People-oriented	<input type="checkbox"/>
Profit-oriented	<input type="checkbox"/>
Flexibility and adaptability	<input type="checkbox"/>
Accountability	<input type="checkbox"/>
Desire to win	<input type="checkbox"/>
Innovative	<input type="checkbox"/>
Total	<input type="checkbox"/>

The value of this rating depends on one factor: honesty. If you haven't been totally honest with yourself in this evaluation, you should adjust the results accordingly. It is wiser to evaluate yourself too low than too high.

- If your score was between 120 and 150, you have a strong entrepreneurial personality and will probably do very well running a new business.
- If you scored between 100 and 120, you probably have enough of the right stuff to be successful if you make the effort to bolster your skills in weaker areas.
- If you scored between 80 and 100, you probably shouldn't try to shoulder a new business on your own. Look for partners or reliable employees who can strengthen the business.
- If you scored less than 80, you'll be happier and more successful as a manager in someone else's company than in a business of your own.

Competitive Advantage

In order to convince potential investors to put money in your business, you need to clearly explain how your business is better than the competition and why it will succeed.

Marketing Plan

Explain who your current customers are, who you would like to have as customers, why they would be interested in buying from you, what your pricing strategy is, how you distribute your product, and how you promote your business.

Organization

After describing how your business operates, describe who is responsible for making it work. Write a brief paragraph about each of your top managers, detailing their expertise and background. Convince the investors that these are the people most capable of making your business a success. Include an organizational chart and describe your plans for adding or subtracting staff members.

Operations

This section is most important in manufacturing operations, which have many different pieces of equipment and operational processes that must be described. For service businesses, describe how your business is run, name the departments within the business, and explain your expansion

plan (by hiring, buying equipment, moving to a new location, outsourcing production, and so on).

Funding Needs

Explain the total amount of money needed, how it will be used (whether for marketing material, working capital, hiring, equipment purchase, whatever the case may be), and why that is the right way to spend it.

Financial Statements

This is where you place the past three years' balance sheets and income statements. Also include five years of projections: balance sheets, income statements, and a five-year cash flow with monthly projections for the first three years and quarterly projections thereafter.

Appendix

This section should be used for important reference information that does not appear in the body of the plan. For instance, include a summary of a recent contract you won, a map of planned sites, resumes of key managers, or marketing literature.

Summary of Each Section

If your sections are long and involved, do a two-paragraph summary and insert it at the beginning of each section. Busy bankers or investors who may not read entire sections will look at brief summaries.

SOURCES FOR CUT FLOWERS**SEEDS:**

For small amounts:

Johnny's Selected Seeds

(800) 738-6314

to request a commercial catalog

email: commercial@johnnyseeds.com

For larger amounts:

Germania Seed Company

(800) 410-4721

to request a cut flower catalog

email: corky@germaniaseed.com

ASCFG (Association of

Specialty Cut Flower Growers)

(440) 774-2887 (Judy Laushman,

Executive Director)

email: ascfg@oberlin.net

ASCFG director for this region:

Dianne Cousins

(281) 342-4185

email: cousins@wt.net

Other good seed sources:

Modena Seed Company

(415) 585-2324

email: modenaseed@aol.com

Fred C. Gloeckner & Co., Inc.

(800) 345-3787

email: info@fredgloeckner.com

Jelitto Perennial Seeds

(50) 895-0807

email: abush@jelitto.com

Ball Seed Company

(630) 588-3321

email: ggoff@ballseed.com

Johnny's Selected Seeds is a great source if you want to try a few seeds of something new. You can buy individual packets from them at reasonable cost. Germania Seed Company is an excellent source for a larger variety and larger amounts. They have a cut flower seed catalog as well as a general catalog.

The Association of Specialty Cut Flower Growers is an excellent organization for beginners. The approximately 750 members from around the country are very open and willing to share knowledge and expertise. The organization is divided into different regions, and our regional director is Dianne Cousins, a grower in Texas. You can direct specific questions about ASCFG to her.

Along with this information are additional seed sources to check into. All have catalogs except Modena, a family-run seed company, and all are very helpful.

For more information, contact:

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