



Nordplus Adult 2016 (09/2016 - 08/2017) (NPAD-2016/10040)

Project „Service design know-how for rural SMEs strengthening the link between adult learning and working life in rural SME local food sector“.

Handbook

Service design know-how for rural food SMEs

OPENING YOUR FARM SHOP

Content and general structure

1. Introduction

The material includes information about most necessary points that should be considered opening a farm shop.

- Under what conditions you might choose to open a farm shop and what value it give to your product:
 - short supply chain to optimiste sales and distribution costs
 - promote your product, build positive recognition and PR
 - part time or full time job creation for family members
- Farm shop concept options:
 - a shop on a farm selling only own farm produce + **the link to an example;**
 - a shop on a farm selling own produce and products from the neighbouring farms + **the link to an example;**
 - a shop **outside** a farm (in town or village) selling the products from local SMEs + **the link to an example;**
 - a shop selling the products from SMEs and agricultural machinery + **the link to an example (Norway)**
- How to assess the market potential:
 - methods to assess the market potential
 - methods to define target market groups and their needs
 - assessment of own potential to meet the market needs
- Competitiveness.

- how to assess own competitiveness against, e.g., supermarkets, other farm shops and markets, etc., what factors should be considered – price, quality, delivery, etc.)

2. General requirements

- Legal forms of enterprise that are suitable for a farm produce shop (Ltd. Company, Society, individual merchant, a cooperative, etc.);
 - main characteristics of each legal form, typical examples.
- Taxes due according to legal form of enterprise:
 - what taxes each legal form enterprises pay,
 - how to choose the most appropriate legal form taking into account tax requirements and other considerations.
- Required licences and permits (music copyright licence, alcohol licence, bio and other food certificates, etc.):
 - what requirements apply and on what conditions,
 - what licences are compulsory and what are optional,
 - what are benefits from having particular licences,
 - cost efficiency (examples of licence costs)
- Signposting – if and what permits are required from the local government to put up farm shop signposts on the roadside:
 - types of signposts and respective regulations
 - technical solutions
 - examples and costs
- Accounting – to register and follow the sale of goods from different suppliers, it is essential to use bar coding. Information about costs and options:
 - what equipment is needed to use bar codes
 - what are accounting systems that can be used
 - what skills are required

EXAMPLE– what kind of problems landlord faced, what would do otherwise now.

3. Design – store concept and merchandising

- ◆ Store location recommendations:
 - recommendations how to choose appropriate location and space for your store (aspects to consider: transport logistics, convenience for customers, costs, etc.)
- ◆ Facilities and equipment:
 - recommendations regarding the necessary infrastructure and equipment.
- ◆ Running costs of design and cash flow expenditures:

- explanation what costs should be expected – repairs, equipment, staff salaries and taxes, rent, price tags etc.,
- ◆ Design fitout:
 - room furnishings – explanations for the arrangements, examples.
- ◆ Merchandising – what is it, how to use it in small shops:
- ◆ Environmental friendly packaging – bags, coffee/ tee tankard, wrapping paper.

EXAMPLE – Where and how person gains knowledge about shop furnishing to attract customers – examples from 3 countries.

4. Store and warehouse

- ◆ Finishing touches:
 - an explanation what your sales hall should look like.
- ◆ Appropriate lighting;
 - advice how to choose appropriate lightning in different parts of the store and warehouse, how to optimise costs.
- ◆ Presentation and arrangement (what is a marketable passage):
 - tips how to arrange goods.
- ◆ Why define the target group of buyers:
 - tips how to make the store appealing to your target group.
- ◆ Back office, prep and storage requirements:
 - an explanation what auxiliary rooms the shop needs, incl. information about refrigerators, etc.
- ◆ Disability access
 - information on requirements regarding new constructions and renovations,
 - importance of the accessibility – people in wheelchairs and parents with strollers and toddlers.

EXAMPLE – Mareks Gūtmanis, “Zaļā zeme”.

5. Safety, Food hygiene requirements

- ◆ EU or national hygiene regulations (the link);
- ◆ Supervisory institutions and their role in food control:
 - registration with food and hygiene authorities, compulsory inspections and their frequency, etc.
- ◆ Safety issues:
 - General requirements: fire safety, electricity, safety at work, client safety – stairs, lighting, first aid requirements, Warning signs.

EXAMPLE– how sellers manage to comply with the requirements, whether it is easy or difficult.

6. Marketing and promotion

- ◆ Tips, how and through which channels to advertise the store/ items/ farm:
 - cost efficiency and relevance of sales channels
- ◆ Self promotion:
 - how to build recognition and positive PR
- ◆ How to promote the product, attracting customer through their 5 senses;
- ◆ How to develop and offer your farm excursions:
 - main principles of a good farm excursion,
 - technical preparations and preconditions
 - presentation and contents
- ◆ Product packaging – design and contents of the label:
 - cost efficiency of packaging
 - relevance of the packaging design and product
- ◆ EXAMPLE – particular shop/ landlord/ cooperative advertisement

7. Sales skills

- ◆ Customer behaviour – how do they choose the product (the link to the Merchandising book);
- ◆ Advice how to attract families with children;
- ◆ Dress for success, attitude and knowledge:
 - the importance of the seller's apparel, the attitude, knowledge.
- ◆ Communication skills in presentation of the farm, yourself and the products;
- ◆ Importance of produce tasting events.

EXAMPLE – observation practise of buyer behaviour.

8. Useful IT solutions

- ◆ Advertising: internet (social networks, websites, sales sites, how to get on search engines, etc.); + links
- ◆ Information about possibilities to improve knowledge in online marketing, safety issues, shop opening:
 - ✓ <http://macies.celotajs.lv/course/view.php?id=4>
- ◆ Warehouse systems for registering of goods – to find info!

EXAMPLE – what and how has changed in the business, starting to use opportunities offered by Internet.

9. Local cooperation

- ◆ Information about cooperation experience and benefits of it in other EU countries;
- ◆ Cooperation with different partners – local associations, tourism information centre etc;
- ◆ what is required to create co-operative (<http://likumi.lv/doc.php?id=47009>)
- ◆ Co-operation in Latvia/ other partner countries.

EXAMPLE: „Food producers association” shop in Jelgava (on photo) + link to www.gadatirgi.lv . The web site presents a certain form of cooperation – information on all markets is available here.