

NOT JUST A FARM SHOP



Less than 15 years ago most farm shops consisted of small buildings selling home grown produce for a specific season. Whilst some still remain, most have become more specialised in an effort to keep the tills ringing in the battle against the growth of supermarket competition and the effects of the recession.

Many farm shops offer high quality food and produce at prices which are extremely competitive compared to large supermarkets, and which are affordable to many. For example at Sharnfold Farm, Pevensey the steak or topside from Sussex beef cattle rivals the best as owner Dennis Hilsdon points out: "Who other than Harrods or Fortnum's will hang beef for up to six weeks, you simply cannot get the quality anywhere else, and like many other farm shops, we do not charge Harrods prices!"

From primarily selling off-farm produce many shops have now become visitor attractions in their own right as well as shops. The introduction of the in-house butcher or baker, themed events, gifts, coffee shops, cookery schools and play areas has increased the complexity of the operation and by default the need for capital to invest. Management information has never been as important as it is today.

"In recent years Landmark has watched as clients use cutting edge strategies to entice spend and a growing number of farm shops utilise KEY Accounts for management and reporting purposes," comments Nigel Parsons, MD.

Dennis Hilsdon relies heavily on his management information. "Having changed the business structure in 2007 my wife and I developed the farm shop, installing our own butchers and coffee shop/tearoom. These departments are separately costed using KEY,

and the management information obtained helps us make the best business decisions more easily, and more importantly, quickly."

KEY Accounts in most installations is used for the 'back office' recording, modern electric tills with scanning functionality allow fast customer throughput and capture the sales of products and stock changes. The accounting information can then be entered into the accounts through a till import (epos), or through a summarised manual entry from the till.

Stuart Beare from Tulleys Farm near Crawley transferred his accounts from Sage to Landmark and has no regrets. "We started 20 years ago with a traditional PYO, farm shop and tea room with very low overheads. Ten years ago we expanded and now we have added seasonal family events, such as Halloween with catering, large numbers and a real festival atmosphere. This requires hiring equipment and employing seasonal labour with a big push to get everything ready and it is easy to spend money! So tracking the costs of each event and department is vital.

"Previously we were doubling up on the work effort, producing event accounts on a spreadsheet and the overall accounts on Sage, but the two never tied up. Now we have more accounts information from one source and KEY has really encouraged us to review the individual parts of the business."

The imagination of farmers operating in a tough retail market is to be applauded and Landmark is always keen to have feedback from its farm shop users and to help promote their latest ideas.



Shocktober Fest at Tulleys Farm

EVERY PENNY COUNTS



Nigel Parsons, MD of Landmark

After such a wet summer, with cancelled shows, spoiled crops and a lack of sunshine, the Olympics were a welcome break and the combination of excellent organisation and a good medal count, made us proud to be British.

For those of us who are slightly less athletic are there any medals to be won in the farm or estate office?

Generally, we are better at reviewing the major costs within our business rather than the minor ones – but it is amazing how the small costs grow! You can be reassured that technology can help minimise these costs.

Take for example, an average farm where 20 supplier payments are made per month, 8 sales invoices are raised for contracting, straw and calves, and 8 receipts are received. If all the transactions are made manually in one year there is a postage cost of £228, based on a second class stamp at 50p, and bank charges of approximately £200 if a cheque charge is £0.65p.

For many KEY Accounts users with the functionality all the payments can be made electronically and the remittance advice notes emailed. Put a little extra work into collecting the bank details and email addresses and the postage goes to zero, bank charges reduce to around £100, and you have saved paper and over £300. Scale up the figures for a larger business and a saving of '00s suddenly becomes '000s.

Similarly for those collecting regular rents or raising regular membership, consultancy or contracting invoices, the use of Direct Debit collection will reduce bank costs considerably. Even for those receiving income for straw, calves or contracting, by encouraging payees to pay electronically there could be a staggering 40% reduction on average bank costs.

If you are not using these facilities, give our support team a call to help you. Who knows, it could result in 'Olympic' savings and a gold medal in efficiency!

An Interview with Mark Fogden (MRICS FAAV)



Mark is currently the Lead Partner of the Fochabers office in the north east of Scotland and has 24 years experience as a qualified Chartered Surveyor. His Managing Agent responsibilities are currently in Scotland and include The Crown Estate's Glenlivet and Fochabers Estate. Mark opened and established Smiths Gore's Preston office in 2001, and he is well known in the farming/landowning community throughout the north west of England where he has until recently held relationship manager or agent positions for both smaller and larger landowners. With his extensive CV in landed property we asked him a few questions relating to property recording.

Why are property records important to a client?

I need to answer your question with another - 'what are property records?' They are the DNA of your business and they are many and varied but they include tenancies, maps, licenses, planning consents and business plans and of course all of your financial records. They are generated for fiscal, financial and strategic reasons and they tell you WHO YOU ARE and WHAT YOU ARE which is a basic platform from which to make all future decisions. If records are missing and you have a gap, then you have a gap in your DNA and a gap in your ability to make informed decisions.

Why do you need good property records?

Records provide property owners and their advisers with up-to-date accurate information for all kinds of decision making at different levels. Relying on people, manual terrier systems and memory lead to gaps and errors, but keeping the history on software pays for itself allowing codes and costing for every single asset, used or unused, let or unlet which then permits best practice to be adopted.

- **At Group Level** – look at a number of enterprises and identify performance trends. Non-performing enterprises within the group are quickly identified against agreed performance measures allowing management time to be focused efficiently.
- **At Enterprise Level** – detailed analysis allows you to interrogate performance within the enterprise such as how a holiday cottage is performing against an assured shorthold tenancy? Ask yourself 'how do I want to cut the cake and spread the risk?' Incoming rents are all very well, but meaningless without expenditure and void costs.
- **At Portfolio Level** – are the asset classes performing to your expectations? Reduce compounded error by importing information between the KEY systems rather than importing and exporting to a spreadsheet.
- **At Unit Level** – don't lose sight of the in-hand element because you are focusing on the let business. Use your property software to allocate a code to every single unit from the main house to the derelict cottage and the acre of scrub land, they might be costing more than you think, or they could be harbouring a contamination or a health and safety issue. By allocating a property code you have visibility and visibility is everything!

Where is it best to record property information – on the Estate or at the Land Agent's Office?

Rarely should it be kept with the Consultant. The location of the records should be dictated by the hub of the business, in other words where is the business managed from? If Smiths Gore has

all the responsibility for decision making then the process takes place with us, but if the Estate office is the centre of gravity then the DNA of the business should exist on-site. The flexibility of the software now allows for 'read only' or viewing platforms from within the network so the owner can work from London, Edinburgh or his private study, but everyone involved in making a decision can be looking at the same accurate report simultaneously. Nevertheless it is important for the modern, working estate to take ownership of their data if they have the capacity.

How can I justify the cost of a Property Software purchase?

- **Efficient Administration.** Once a system is up and running then the data update is relatively straightforward and savings may be possible either in whole or partial units of administration.
- **Insurance Premium Savings.** Keeping a 'backed up' copy of the data or 'DNA of the business' away from the estate is vital simply in terms of disaster recovery as a consequence of fire, flood or hardware corruption. Off-site back up facilities with service providers are both affordable and available, and insurance premiums should reflect this prudence.
- **Opportunity Savings.** More timely attention to management actions such as rent reviews and collection, lease expiries, the management of voids, regulatory and statutory compliance and inevitably the service of formal notices.

Are you a convert to computerised property recording?

As a practitioner I am looking at both sides of the coin, the integrated relationship between the accounting and the property records of a business, and for this reason truly linked accounting and property software programs interest me. Anything is good that can reduce duplication and error and as importantly, reduce wasted time and a reliance on those aspects you can't rely on – people's memory!

I want a software provider to take ownership of its product, to have rural DNA in its culture and to have an ethos of after sales support as a top priority.

Team McGregor is not standing still



**McGregor
Farms**

CONTRACT FARMERS

Farm Facts

- 3,200 ha on twelve farms
- Mix of family-owned, rented and contract farmed
- 1 Arable Manager, 7 full time skilled farm staff, + 5 at harvest
- 1 Farm Secretary (4 days), 1 Accounts Assistant (2 days)
- Wheat, winter & spring barley, OSR, potatoes, beans and peas



David Fuller, Colin and Jill McGregor

Colin and Jill McGregor can be described as a 'good team'. They run an impressive business in Berwickshire, but give credit to Colin's mother Margo for running the tenanted home farm Coldstream Mains until 1989 when she handed over the reins of responsibility to Colin, then aged 21. A situation forced upon the family after the untimely death of Colin's father in 1978.

Colin and Jill are delivering an innovative farming system with a level of service which won them FW Arable Farmer of the Year Award 2011 and in its wake five new contracts for 2012. One judge pinpointed the key ingredients to the McGregor recipe for high standards over 3,200 ha of arable and grass as 'impressive attention to detail and the use of the latest technology.' Jill comments: "It was proven testimonial that we can deliver; it is not back of the fag packet stuff. Our service is slightly different as we carry enough labour to offer the whole package to look after a farm, from hedgerow to office, and everything in between. We do the management accounts for the majority of our clients."

Colin was an early adopter of precision farming techniques to maximise consistency and savings. Jill had the same approach to technology in the office when they purchased Landmark KEY Accounts in 2004, which was recommended by Active Business Partnership (ABP) director Angus Bell, whose business provides strategic business management advice to the McGregor's. As a result of having more detailed enterprise costings, in 2006 the decision was made to stop growing potatoes directly and form a collaboration with Greenvale AP."

Jill, who is the Finance Manager, has a farming background and is qualified in Rural Business Administration. She was happy to move from other accounting systems as KEY seemed user-friendly and she wanted better descriptions on nominals, improved budgeting facilities and inter-company invoicing. As the complexity of the business increased she introduced a network version and will adopt KEYPrime when the time is right for them: "We run 14 businesses so we need to make the jump when a change will cause minimum disruption. We run KEY on four of the nine PC's installed with one in the house, which helps when I have the next generation of McGregor boys tucked up in bed!"

"Quite a few of our newer contract agreement clients are using KEY which gives continuity as there are different accountants involved," she says. Jill values her Accounts Assistant Lesley Jameson, who inputs the data and runs the payroll, sales ordering and BACS. Sarah Gillie, Farm Secretary, uses KEY Accounts as a viewing tool in her vital role as office support to Colin as Managing Partner and David Fuller, Arable Manager, the third member of the senior management team.

As part of the contract farm management service farmers receive draft accounts in November so that harvest figures can indicate the likely profit share and adjustments can be made before tax year end. "We are dealing with a lot of different figures on a monthly basic level of budget to actual, progress reports and bank up to year end, with up-to-date accounts showing growing crop valuations and stocks. KEY Accounts works really well."

"We keep a tight track of costs by running the KEY enterprise reports," Jill says. "They are a good management tool and because we know what we are spending before year end any strategic decisions are based on fact." Colin appreciates the dedication of the accounts side as he regards himself as the face of the business and is responsible for the Three M's:

- Men • Machinery • Marketing

The farm operates one stock centre via Gatekeeper a crop recording program which Jill describes as a 'hugely powerful tool'. "We kicked off 2012 by starting a buying co-operative Progressive Agri Limited (PAL). In the past we would buy the inputs on behalf of our clients and then invoice them via Gatekeeper. Now our clients can be members of PAL which keeps prices competitive and saves paperwork and time as we can buy direct on their own account."

Commenting on working harmoniously as a business and as a married team Jill says that it is important to have clear separation lines between role and responsibility. "We are both good at different things but have the shared ethos of attention to detail, managing our business in a sustainable and profitable way and adopting change when necessary, as Margo did when Colin was ten years old. Of course it has its volatile moments - on a good day we 'phone each other and on a bad day we make it an email!"



Landmark celebrates 25 years in London!

A Day in the life of Landmark support – Help!

♪ Woke up, got out of bed dragged a comb across my head
Found my way down stairs and drank a cup.... ♪

Hello Monday morning and already the telephones are ringing before I've even had a sip of coffee.

Caller says: "I have been messing around over the weekend and the system has thrown me out and I can't get back in."

"Phew! That's an easy one," I reply. "Just go to Task Manager and look for any process still running related to the program and end all of them."

Weekend tinkering can be a nightmare but thankfully it is usually something as simple as that. Chat about the weather, I noticed on the way in that it was raining – mental note to self: 'expect more calls as farmers more likely to be in the office.' I hope that they need the rain!

Not a minute to lose before Jenny, a farmer's wife, calls with a deadline. She is meeting the bank manager this afternoon and is running her cashflow budget which looks a bit depressing and she cannot work out why? We work out that the opening overdraft figure has an extra zero. She quickly re-calculates and it all looks much healthier – I can hear the relief in her voice down the line.

Now I deserve coffee time, I will feel much better with a caffeine shot and it is a birthday so chocolate cake is on offer - a bonus!

It is seconds before the next call. Maggie, a farm secretary, needing help with a finance deal for the purchase of a new tractor with a trade in on an old one. This is only tricky because it is an infrequent action for many users; she needs help getting the transaction onto the accounting software correctly.

Another happy customer after we have loaded up this purchase and set up the Fixed Asset and repayments for the finance. Great

to feel that her Monday is going better now.

Calls coming in thick and fast now. "I need you," caller explains, "because when I run a verify it shows an error on a removed transaction and the VAT closing balance does not agree." After trying a rebuild we still have errors, data has to be fixed. "Please send your data to us it will be elevated to second tier support", I say. "Don't panic, we can work it out." Reassure the client who fears others meddling with his data in the background, I'll be back to that client to ensure continuity on fixing problem.

Emails coming in now as well as calls. One states: 'Aged Debt Report not equalling my TB figure; copies attached.' You can't do that! You must add together the payments on account to the debtors control to equal your aged debt, keep it simple.

VAT, Bank and Fixed Asset Reconciliations crop up most days, and today is no exception. Focus on conquering these and everything else should take care of itself.

17:30 arrives and the answer phone goes on with a cheer from all in the support team – all together now...

Time to slow down and reflect on the things we said today, clear up and release my brain from thinking for clients.

After working in accountancy for 25+ years, and solving my own software issues in a single business sector, it is a challenge helping others to solve their problems. I have learnt not to be complacent about the variety of business sectors that rural and property clients operate in.

A Landmark support day is never dull!

By Tim Wort, Software Support Adviser

Clients Sign up for Landmark Courses

Every Autumn Landmark issues its schedule to clients for winter workshops across the country to showcase its programs. Ros Foreman (AIAGSA) is someone who 'never misses!' As the lead partner for farm and estate administration at BCM, rural property specialists in Southern England, she finds the opportunity to refresh on topics, pick up hints and tips and learn about new features very worthwhile. "By taking timeout and attending courses we get the opportunity to reflect on which features will be useful to our business. It is money well spent and I always take away something new from it," she says.

This year the morning courses in November will focus on KEY32 Accounts with new features including a new electronic payment type in BANK PAYMENT to join cheque and direct debit in the method drop down box providing a place for a cheque, BACS or reference number to associate with the payment. Setting up and getting the most from Electronic Banking is a further topic aimed at reducing postage and bank charges for clients.

On the same day a free afternoon session will be available for those who wish to see a full demonstration of KEYPrime, Landmark's flagship accounts product launched in 2011.

The training team are also trialling web presentations of the new features in KEY, Landmark's Training Director Mary Collis and Training Manager James Lutener will be ready to respond to demand for one hour pre-arranged sessions for those unable to attend published locations.

Visit the Landmark website or ring the office for dates and locations or winter KEY Accounts and spring KEY Property workshops.

