# GROWING A BALANCED FOUNDATION…

## Are You on the Right Track?

blooms

-local fresh cut flowers-

# A LITTLE BIT ABOUT ME...

# I WOULD NOT BE A RISK MANAGER IF I DID NOT GIVE A DISCLAIMER FIRST…

- I am not an attorney
- I am not an insurance agent or broker
- I am not a financial advisor or an accountant

The intention of our discussions is to put you on a path toward better understanding the risks associated with flower farming and offering knowledge and tools for you to better arrive at solutions for your business.

# TODAY WE ARE TALKING ABOUT MANAGING RISK AS A FLOWER FARMER…SO WHAT ON EARTH DOES THAT EVEN MEAN?!?!

The **identification, evaluation,** and **prioritization** of risks followed by **coordinated** and **economical** application of resources to **avoid**, **prevent**, **mitigate** or **transfer** the probability or impact of unfortunate events.

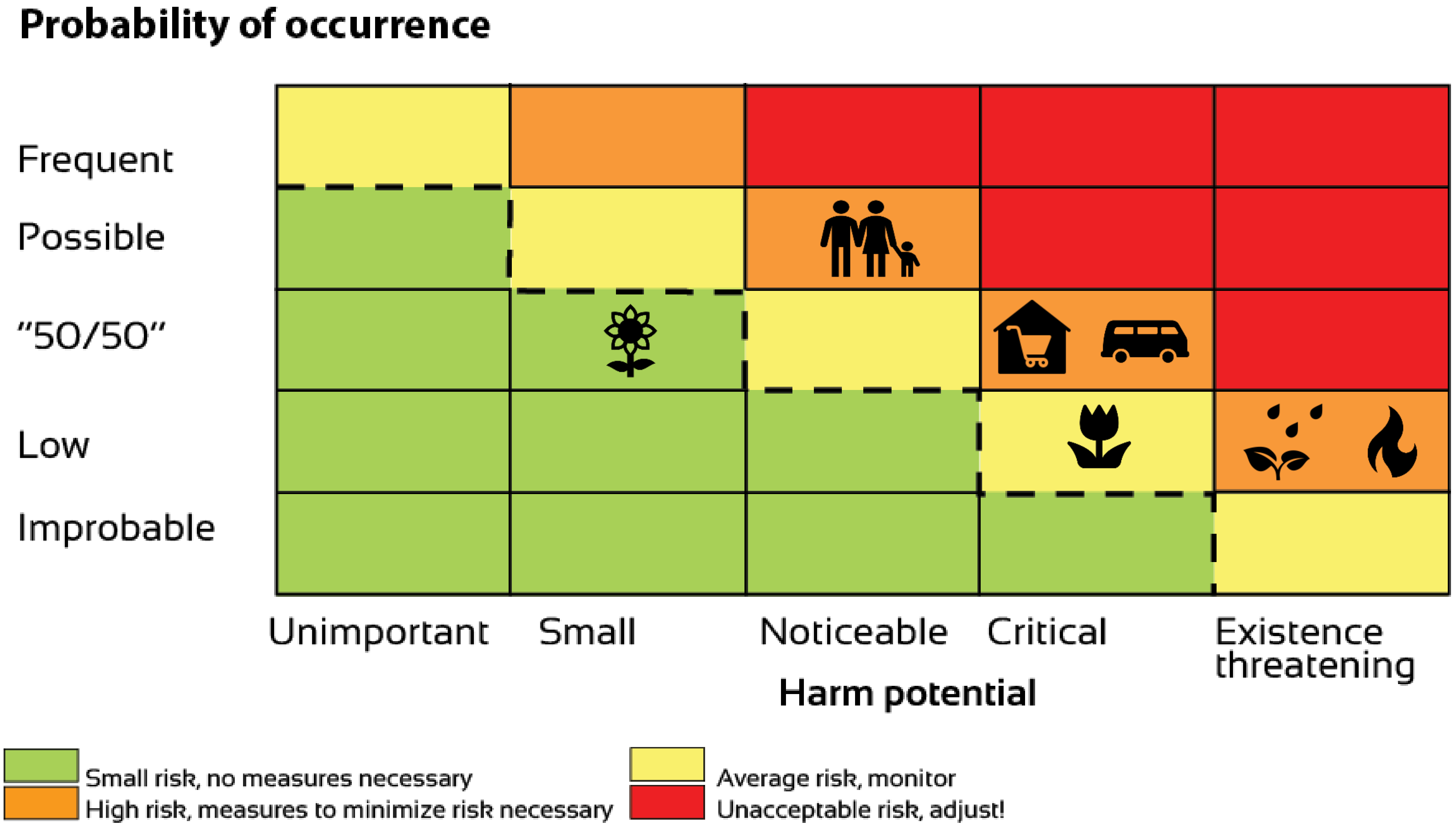
# IDENTIFY YOUR RISKS

- Accidents
- Natural Disasters
- Crop Failures
- Financial Risk
- Key Personnel Loss
- Key Client Loss
- Theft
- Compliance Issues
- Contract Disputes
- Environmental Risk

# THEN EVALUATE & PRIORITIZE THOSE RISKS

The **identification**, **evaluation**, and **prioritization** of risks followed by **coordinated** and **economical** application of resources to **avoid**, **prevent**, **mitigate** or **transfer** the probability or impact of unfortunate events.

Consider the probability and impact of the risks you've identified.  How likely it is to happen and how severe could the consequences be for your flower farm?  Simple risk plotting can help…


Probability of occurrence
Frequent
Possible
"50/50"
Low
Improbable
Unimportant
Small
Noticeable
Critical
Existence threatening
Harm potential
Small risk, no measures necessary
High risk, measures to minimize risk necessary
Average risk, monitor
Unacceptable risk, adjust!

# THEN APPLY YOUR SOLUTION

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# 4 BASIC WAYS TO MANAGE RISK:

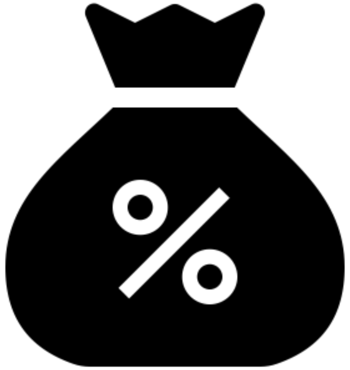
- Avoidance
- Prevention
- Mitigation
- Transfer

You should spend most of your time here.

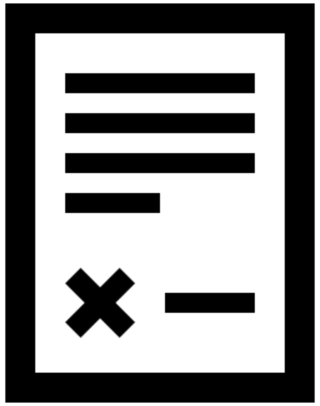
But we are going to spend time on this.

# TWO PRIMARY FORMS OF RISK TRANSFER:

- Insurance




- Contracts



# TYPES OF INSURANCE

Property

Work Comp

General Liability

Comprehensive Auto

# CONTRACT BASICS & TIPS

- Generally speaking, and for our purposes, contracts are agreements between parties for goods and services.
- Many contracts will have specific insurance requirements
  - Will detail per occurrence and aggregate limits
  - Will require evidence
  - May require notice of cancellation of policy
  - May require waiver of subrogation
- Indemnification is often outlined in contracts.
  - A contractual obligation of one party to compensate the loss incurred to the other party due to the acts of the indemnitor or any other party.
  - The duty to indemnify is usually, but not always, coupled with a contractual duty to "hold harmless".
  - Some say "hold harmless" protects against losses and liabilities, while "indemnify" protects against losses alone.
- Evergreen contracts – stay away!
- Think about your CSA contracts, your farmers market contracts, your grocery account contracts.
- Consider implementing Acknowledgement of Risk forms for your farm visitors.

# IS THERE *REALLY* AN OFF-SEASON?

Next Year Goal Setting
Crop Planning
Seed & Plug Orders
Risk Plotting

Hire New Staff
New Quotes for Consideration
Grower Market Meetings

**November**

**December**

Seed Starting Schedule
Systems Design & Load
Financial Modeling & Adjustments

**January**

**February**

Taxes
Promotional Material Design
New Business Meetings
Designer Meetings
Market Applications

# THANK YOU SO VERY MUCH FOR YOUR TIME AND ATTENTION!

Questions???