



Risk Management 101

Protecting Your Flower Farm



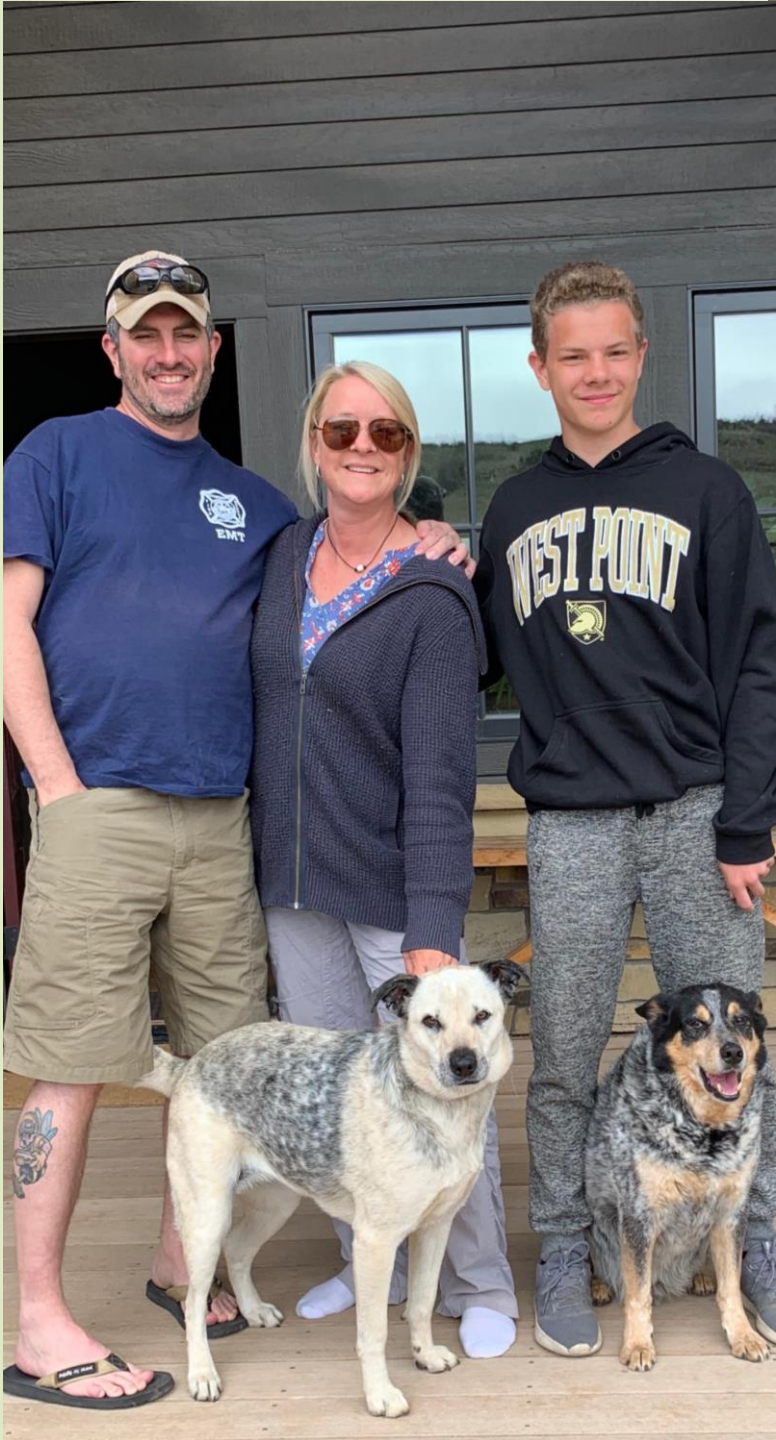
Risk Management 101 – The Basics	November 11, 2020	11 am – 12:30pm EST
Safety & Compliance	November 18, 2020	11 am – 12:30pm EST
Insurance, Claims & Contracts	December 2, 2020	11 am – 12:30pm EST
Crisis Management	December 9, 2020	11 am – 12:30pm EST



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.




A little bit about
me...



b l o o m s

- local fresh cut flowers -


...and I must introduce Gaylene!



Risk
Management
101 –
The Basics

Course
Overview

- What on earth does risk management even mean?
- How do we identify risks?
- How do we evaluate & prioritize?
- The four basic ways we manage risk and the basics of techniques that work
 - Avoidance
 - Prevention
 - Mitigation
 - Transfer



What exactly is
Risk Management anyway???

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

- What are the risks associated with our flower farming businesses?

Evaluate

- How will we best handle those risks?

Prioritize

- What should we focus on first?




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Identify your Risks

- ▶ Accidents
 - ▶ Farm staff
 - ▶ Visitors
 - ▶ Farm/Delivery Vehicles
- ▶ Natural Disasters
 - ▶ Fire
 - ▶ Flood
 - ▶ Pandemic
- ▶ Crop Failures
 - ▶ Pest Infestation
 - ▶ Disease
- ▶ Financial Risk
 - ▶ Cost vs. Revenue
 - ▶ Value Propositions
- ▶ Key Personnel Loss
 - ▶ Institutional Knowledge
 - ▶ Customer Relationships
- ▶ Key Client Loss
 - ▶ Grocery Account
 - ▶ Farmers Market
 - ▶ Designers
- ▶ Theft
 - ▶ Farm Stand
 - ▶ Employee Theft
 - ▶ Equipment
 - ▶ Vehicles
- ▶ Compliance Issues
 - ▶ OSHA
 - ▶ DOT
 - ▶ DOL
- ▶ Contract Disputes
 - ▶ Leases
 - ▶ Sales Agreements
 - ▶ Market Contracts
- ▶ Environmental Risk
 - ▶ Water Quality
 - ▶ Erosion
 - ▶ Pesticides



What exactly is
Risk Management anyway???

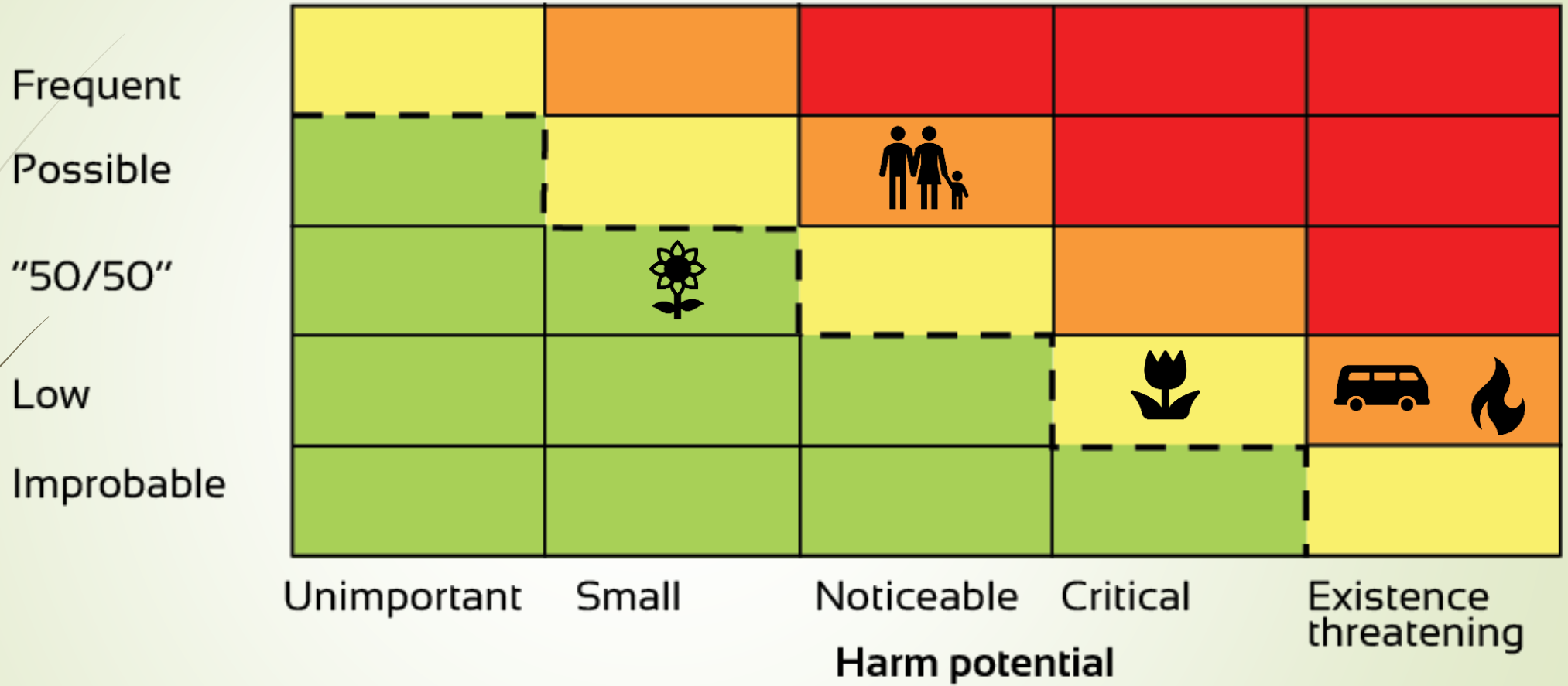
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Evaluate & Prioritize those Risks

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



Small risk, no measures necessary

High risk, measures to minimize risk necessary



Average risk, monitor

Unacceptable risk, adjust!

Crop Choices & Financial Risk



Peonies



- Super expensive investment
- Take up permanent space
- Need irrigation
- Protection from deer
- Need time to mature

BUT...

- Live forever
- Perfect for CO climate
- Bloom time desirable
- Varieties options are endless
- High demand
- Bring top dollar

Crop Choices & Financial Risk

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paperwhite bulbs



www.bloomscolorado.com

Paperwhites ✖

- Inexpensive to buy in bulk
- No-brainer to grow
- Gorgeous in vases
- Great holiday profit potential

BUT...

- Need warmth
- All over the house
- Accessories add to cost
- Consumer demand not there

Is there still a value proposition???????



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Here is where we will spend our time in the next three sessions.





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4 Basic
Ways to
Manage
Risk:

Avoidance

Prevention

Mitigation

Transfer



Next Up...Safety & Compliance!!!



Three main reasons we want to dig into this:

#1 (and most important!) – We all should strive every day to make sure that every employee, visitor and customer goes home safely to their families. Every. Single. Day.

#2 – Accidents are what we call HIGH FREQUENCY/LOW SEVERITY risks. This means we can predict them reasonably well which means we can control them. Most accidents are 100% preventable!


#3 – The law is very clear. As business owners, we have to pay attention to safety. Every. Single. Day.



See You Next Week!
Same Day. Same Time.

Questions???





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