
The Production Plan

1. Land, Buildings and Facilities

The sample form describes S&B Flowers' production facilities. The buildings and improvements are detailed to illustrate the kind of thinking you will need to do up front when planning your facility. In the S&B Flowers case, they need a greenhouse, a cooler and a packing area. Although not shown, a key part of your facilities planning should be a layout, drawn to scale. This will help ensure that you have chosen the right facility and will help you in estimating any facility improvements that may be required.

2. Equipment

The next sample form describes S&B Flowers' equipment and fixture purchases. To prepare your equipment requirements you will need to think carefully about how you plan to grow your products. If possible, talk with people already in the same business to see what equipment they use. Or talk to suppliers of equipment and get their feedback on what you will require. When obtaining cost information, be sure that freight, installation, warranty service and taxes are included or excluded from the prices you are quoted. Also check on lead times for delivery once you have placed your order. Start researching your equipment well in advance of the time you will need it to allow enough time to select equipment and suppliers and to place orders.

Land, Buildings and Facilities Example

Location:	Chilliwack	
Description:	Cut flower greenhouse operation	
Size:	4000 square metres	
Owned or leased:	Owned	
Buildings and improvements:	Greenhouse	\$270,000
	Cooler and packing area	\$115,000
	TOTAL	\$385,000
Land:	\$50,000	

Equipment Example

Description	Cost
1. Heating and climate control	\$142,500
2. Irrigation system	10,000
3. Recycling system	16,000
4. Lighting system	90,000
5. CO ₂ emitters	12,000
6. High pressure mist	40,000
7. Auxiliary power (power take off)	2,000
8. Spray equipment	3,500
9. Scales, meters and tools	4,500
10. Rototiller, netting and bulb digger	9,500
11. Tractor	15,000
12. Truck	20,000
TOTAL	\$365,000



3. Materials and Supplies

You will need to research your material requirements in much the same way as you have your equipment needs. To do this properly, you'll likely need to prepare detailed lists for the products you plan to grow or produce and then calculate the inputs you will need. Keep your supporting information on how you calculated this information on file in the informal business plan for future use. The sample form illustrates some of the material requirements for S&B Flowers. You'll also need to know which suppliers you plan to order from, the typical order and delivery cycle, terms and conditions of sale and policies about returned or damaged goods.

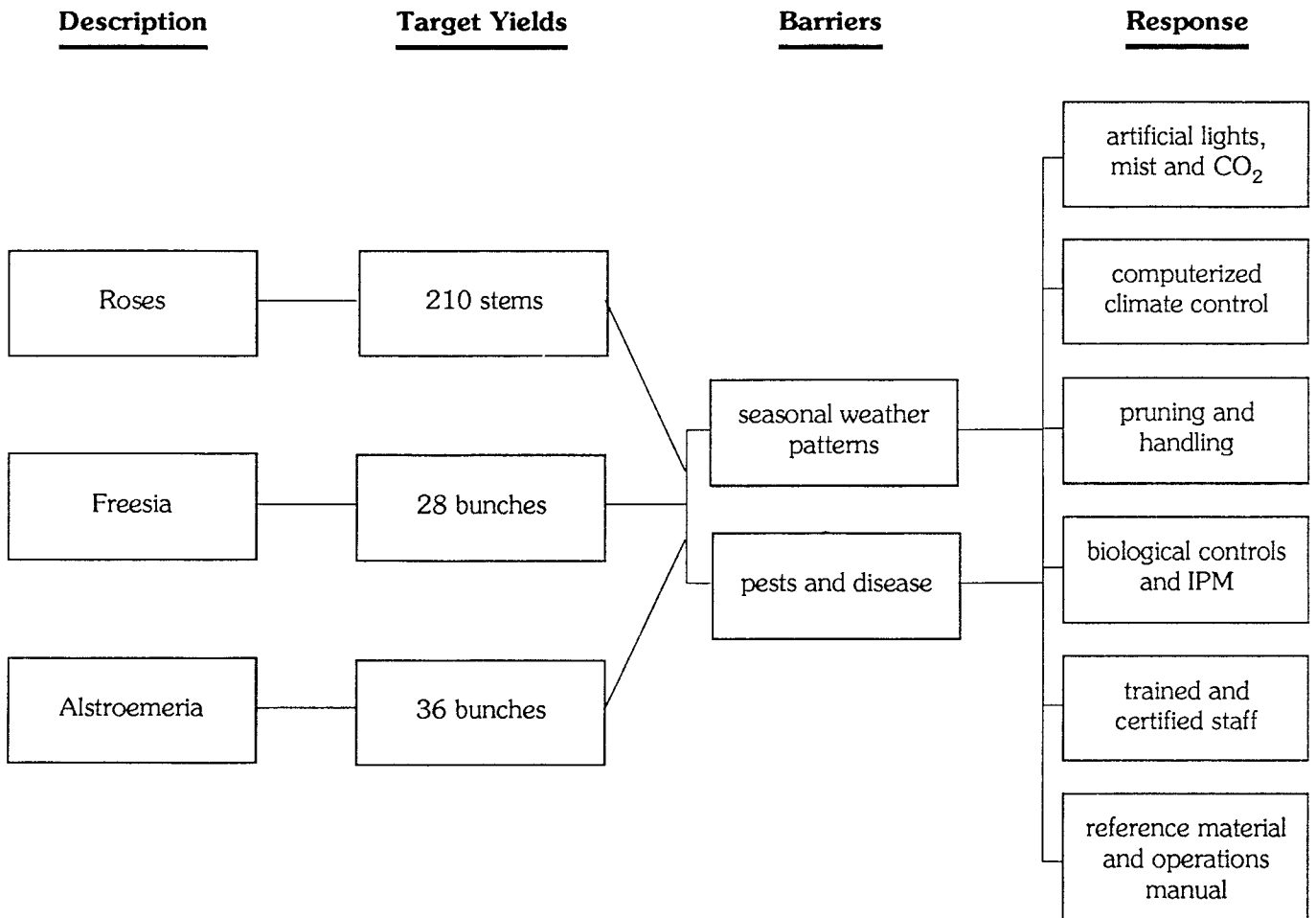
4. Production Strategies

You will need to carefully research and thoroughly understand the crop you are planning to grow, the production system you will be using as well as how to avoid potential problems. This information can then be used to develop plans to optimize yields, grades and profits through appropriate production and labour management activities.

Materials and Supplies Example

Description	Annual Requirement	Total Cost (\$)	Supplier	Order Lead Time
Rock wool slabs	300	1,000	R.W. Supplies	12 weeks
Nutrients	1100 kg	3,200	T.P. Grower Supply	8 weeks
Rooted cuttings	1000	1,500	California Roses	24 weeks

Production Strategies Example





5. Construction/Production Schedule

When new construction or major changes are planned a construction schedule outlining the necessary steps as well as expected starting and completion dates is useful. Attention should be given to permits and licencing, contracts, as well as delivery and manufacturing schedules. Also, when raw materials will have to be ordered and when producton and sales are expected to start.

In our example, S&B Flowers have charted a schedule spanning a 38-week period.

