

# LESSON 2 MANAGEMENT AND ORGANISATION

## MANAGEMENT AND ORGANISATION

New nurseries pop up every year to service the growing demand for plants not just by home gardeners but also landscapers, developers, revegetation schemes and so on. To stay in business though you do need the ability not just to grow plants but to manage a business; financial and business management aptitude, plus organisational skills and efficiency are vital to your success. There is more to horticulture than growing plants – management skills include:

- The ability to complete tasks and also do so efficiently.
- To be well organised.
- To make the right choice – from selecting potting media and the plants you will grow, through to marketing techniques and financial management.
- The ability to take (and keep) control of what you do in your business and where it is heading and still manage to keep up production levels. When you start a small business like this you most probably will only have yourself to rely on in the early stages.
- Staying informed of what is going on in your business but also what is going on in the industry in general. Keep up with market demands.
- Be confident enough to make firm clear decisions when they are needed. If you hesitate too often on important business decisions or take too long to make decisions you are almost certain to fail.

## SELECTING THE SITE

There are many important decisions you will need to make when deciding on a site - these are discussed on the following pages.

### To Own or Rent?

If money is to be borrowed for any part of the operation, land is a better proposition for a loan than most other things. You should consider the permanency of your operation. Land ownership is considered a less flexible means of operation than renting. Renting, however, can be an insecure form of tenure. A point to consider is - if you already own your own home and you have a backyard you may be best starting off there and then moving on to a larger property if your business is successful and warrants more space.

### Size of Site

You don't need a lot of space to start up a small nursery – many people have achieved it in a small backyard. There are viable commercial nurseries operating out of backyards with as little as 400 square metres of space devoted to plants. Some of these backyard businesses generate enough income to support a family, but good management is particularly critical for businesses where space is at a premium. Many of the largest nurseries started out as small backyard operations.

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### Suggested Tasks

Choose 2 different sites where you or someone you know might have access to begin a small scale nursery; for example - parts of your home garden or a nearby piece of land you might rent. As you progress through this lesson, consider these two options with respect to what you are learning.



A good site is relatively flat, but with enough slope to drain.

The amount of land required for successful operation can vary from 0.1 hectare (1/4 acre) up to hundreds of hectares. The amount of land you acquire may depend on the following:

- Cost of land: you may have to compromise your ideals for what you can afford.
- Availability of land: you may be unable to get the exact size you want. For example, if you need a 1 hectare (2.5 acre) lot, land might only be selling in 2 hectare (5 acre) lots in your preferred locality.
- Spacing and size of plants: consider the final pot size prior to sale and the space required between plants.
- The proposed output of plants: you will need to estimate the maximum numbers of plants in the nursery at any one time.
- Space required for buildings, storage areas, roads, paths, carparks, dams, waste management facilities.

Propagation nurseries and tissue culture operations generally require less space because the plants don't take up much room and they don't need to be kept and grown on for long before they are sold. There are a large number of plants produced with respect to space used in these nurseries, and a high income per unit area. Nurseries which deal with very valuable collectors' plants (such as rare plants, bonsai, carnivorous plants and orchids) may also require less space than other nurseries because they are able to generate more money per plant.

Retail nurseries can vary in size from a small shop in a suburban shopping centre up to a large regional garden centre that may be five or more hectares in size. Retail nurseries with a fast turnover of plants need less space because they don't need room to hold or store plants for lengthy periods between sales.

Advanced plant nurseries generally require considerable space as plants can be grown for years either in containers or in-ground before being sold. Nurseries that grow grafted plants or advanced trees in field rows will require at least one hectare of land as a minimum to be a viable operation.

### What Else Will You Need Room For?

For plant propagation you will need: secateurs, sharp knife, wheelbarrow, hoses and sprayers, and punnets and pots. You will also need to purchase seeds, disinfectant, propagating and potting mixes, and hormone preparations. A small garden shed is enough to store these items.

In a small space you won't be able have large quantities of materials delivered – but potting medium, one tonne at a time, is still achievable. You will need a space with enclosed sides and a lid and a concrete floor to store it.

You will need a clean bench for preparing the cuttings and sowing seeds, a protected area for the cuttings and germinating seeds, and a larger outdoor area for hardening off and growing on the potted plants.

Later, you may decide you need more sophisticated equipment such as a greenhouse with a heated propagation unit and misting system, a plastic poly house and shade house.

## Planning Restrictions

Various government authorities have control over the way land can be used. Planning departments in both local and state/county governments can in fact stop a nursery from being operated in some locations and under some conditions. The worst nightmare for any businessperson is to have a profitable business closed down or forced to restrict its operations because the necessary permits weren't obtained at the outset.

Obviously you can't operate a retail nursery from your home in a suburban setting but you can grow plants to sell from other venues or to retail or wholesale nurseries.

Before you start up or buy any nursery, you should check that it is located in an area where a nursery is allowed to operate. If buying, your purchase contract should state 'subject to appropriate planning permits' or an equivalent phrase depending on the country you are living in.

Some local government organisations zone areas of land and only allow certain activities to be carried out in each area. For example, in residential areas it may be illegal to operate a nursery business. Always check with your local government authority prior to setting up a nursery that your intended land use is acceptable in the area.

### Size of Site

Generally, nurseries or herb farms require significantly less land than other types of primary production. Propagation nurseries and retail operations can be successfully conducted on sites of less than one acre. Standard container growing of herbs or other plants is usually conducted on a couple of acres. Some of the largest container nurseries in Australia are able to run on less than five acres because they are carefully organised and managed. Open-ground nurseries can be anything from a couple of acres to several hundred acres.

If your site is not ideal you can at least make the most of it: terracing using railway sleepers to create beds in the sloping ground. Use windbreaks to protect plants in open places

### Proximity to Market

If retailing, the operation is best located on a major road travelled frequently by large numbers of prospective customers or, alternatively, in a centre which is frequented by prospective customers. Avoid locating too close to similar existing businesses. If wholesaling, locate within reasonable proximity to customers or to existing transportation networks (e.g. a mail-order nursery could successfully establish close to any reasonable railway station or post office).

If you are intending to sell at markets (e.g. farmers' markets) you will need to research how these markets operate in your area, how often and how many are feasible for you to attend; some operators travel hundreds of kilometers to take advantage of the cyclical nature of many farmers' markets



## Availability of Water

All plants need water to grow, but some need more than others. A reliable source of unpolluted, salt-free water is essential. In a backyard operation you may decide to install a rainwater tank or just use town water.

## Fertile Soil

This is only really important when growing in the open ground. Good container nurseries can be established in very infertile areas.

## Climate

If establishing in an unsatisfactory climate for the plants being grown, extra expense will need to be incurred on developing climatic controls (glasshouses, windbreaks and shadehouses).

## Availability of Materials

In container nurseries, in particular, it is important to be close to a reliable source of material which can be used in potting mixes. Cartage costs on sand, loam, lignite, pine bark and other such materials can be significant, and you may be charged for every kilometre each cubic metre of material is carted.

In a small backyard operation this is not as problematic because you will be restricted by size, space and access for delivery trucks anyway. In a small operation you are more likely to either have smaller quantities delivered (in smaller vehicles) or pick it up yourself on the back of a trailer. You are also less likely to mix your own propagating materials but buy them ready made a tonne at a time.



A successful nursery business does not necessarily require large premises: this setup operates from a house block in the middle of a city.



Many shops supplement their sales with a nursery department, and an outside display can secure many casual sales to passers-by.

## CHOOSING WHAT TO GROW

All too often, people enter horticulture with very definite prejudged ideas on what they will grow, where they will grow it and how they will grow it. While such people have a real advantage in that they obviously love that particular type of plant they can only benefit by giving objective consideration to *all* the alternatives.

Regardless of the type or size of a nursery, one of the most important decisions is what of plants should be grown or stocked. There are several ways to go:

- Specialise in one type of plants: e.g. flowers, herbs, bulbs, perennials, alpine plants, rock plants, shrubs, vegetable seedlings, trees, bonsai, natives, succulents, ground covers, fruit trees, water plants, palms etc.
- Specialise in a particular species: lavenders, roses, fuchsias, ferns, indoor plants etc.
- Specialise in the way the plant is propagated: seeds, cuttings, separation (bulbs etc.), budding and grafting, tissue culture
- Offer a wide range of popular plants
- Offer compatible species: a range of herbs, perennials and annuals, trees and shrubs etc.
- Restrict the size of the pots: small pots, cell trays, 18cm pots, 20cm pots larger pots etc.
- Use a particular growing system: espalier, hanging baskets, green walls etc., decorative pots
- Grow for a specific purpose: revegetation, for new property developments, medicinal herbs etc.

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### Suggested Tasks

Think about the types of nursery business you want to run and the types of plants you want to concentrate on. Make a list of site attributes you will need in order to fulfil your aims: soil (fir in-ground stock plants), climate, closeness to market, etc etc.

Spend 10 minutes on this task



- Growing plants as crops to provide the raw material to produce a range of products (e.g. oils, teas, dried herbs, candles and preserves). Growing flowers to produce bouquets and posies etc.

There is a very real danger in choosing what to grow on a whim or a fancy. It is not a good business decision to specialise in a group of plants just because you like them! Stock selection should be based on careful market research as well as assessment and your capabilities as a nursery grower.

Developing a stock list should be an ongoing task. Plant varieties should be added to and removed from your stock list continually. The numbers grown or stocked should also be added to and reduced regularly. Each year, an annual assessment should be made of what has sold, what has not sold, and what has been requested or ordered. This assessment should form the basis of modifications to stock range and quantities.

Someone new to the industry may need to experiment to find their niche. Remember 'in-fashion' plants that you read about in magazines and see everywhere are sometimes

being grown or sold by every other new nurseryman, so there might be a lot of competition. It is also important to remember that many of the newer varieties being widely sold are protected by plant breeders' rights, so it is illegal to sell them unless you have an agreement/license with the owner of the rights to do so.

To remain competitive, specialist nurseries should be prepared to evolve with time. This means altering specialisation as trends and demands change.

When considering the alternative crops, there are a number of questions to which you must find the answers. How well does the product keep? If it can't be sold immediately, can it

be potted up? Will it still be saleable in a month or a year?

How long does it take to become saleable? Some operations (e.g. selling 5 cm tube-size plants) can give a return in three or four months from starting, while others (e.g. citrus trees) can take up to seven years from starting the rootstock to selling the budded plant

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### Suggested Tasks

Select three plant species you would like to grow. Do a 10 minute online search for each to determine their needs: site, soil type (pH etc), climate, or potting medium etc. Then match their needs with your site (in the previous task) to determine suitability and what you need to change or work on.



A small greenhouse extends your ability to raise seeds and cuttings in a start up nursery.

What will be your peak work times? Different types of operations will impose heavy or light workloads at different times of the year. Deciduous plants require budding in February-March and digging for sale in winter. The remainder of the year is lighter work. Retail nurseries or herb farms are very busy in spring and to a lesser degree in autumn,

although summer is very slow.

Working in groups is congenial, but is not necessarily the most efficient way of completing a task. Sensible management of labour time can mean the difference between success and failure.