

EDITORIAL

Steve's ~~Bees~~ B's will help you through the tough times

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We all know times are tough out there for the beekeeping industry at present. For some, cash flow is zero, meaning their weekly and monthly outgoings are seeing them back-peddalling financially every day.

Coupled with the lack of cash flow is a lack of profitability. Honey stocks may be worth well below the costs incurred to get it into the drum, and there seems to be no demand to shift product in a number of cases.

While beekeepers have historically been the eternal optimists, that spark of hope is slowly being extinguished by the weight of financial burden. In the medium term there's some indication that we might be seeing the worst of the downturn right now, but unfortunately glimmers of hope won't pay the bills right now.

WHAT CAN BE DONE ABOUT IT?

Communication is key. I recommend people consult their B's (not their bees) in order to help get them through.

Steve's B's in this context are your:

Buyer

Business advisor or Bean counter

Budgets

Banker

Band of workers and

Buddies.

BUYER

Let's get back to basics.

Who will buy your honey crop this coming season? Now is the time to be talking to your buyers.

In this environment, with an excess of supply, it's too late to be talking to

buyers once your honey is in the drum. Do it now before you incur additional costs and dig yourself into a deeper hole.

Talking with your buyers will give you an indication (not a guarantee) as to where you should be targeting your production levels for the coming season.



BUSINESS ADVISOR OR BEAN COUNTER

These are the people who are prepared to help you out of the hole. Most of the time this is not going to be the person who you found was the cheapest in town to get your tax return done.

In this context, you are looking for the best advice possible. They will ask a lot of questions about you, your operation, your scale, your team, your support network, and help guide you through with sound planning and looking at how that plan might work under different scenarios.

They may know little to nothing about beekeeping, but they know business.



Steve Jackson. Photo supplied.

They have helped many businesses from all industries and backgrounds through tough times—it's part of their job.

They will encourage you and help you through a plan step by step. In some instances, they will tell you straight up that it's time you exited the industry. It may be harsh advice, but in some circumstances, it is their best option.

Good business advice is not necessarily cheap, but then it's your business and livelihood at stake here. You have too much to lose not to invest in quality advice.

That brings us to the third of Steve's B's...

BUDGETS

Budgets are a key part of any plan to get a business through.



The often-misunderstood notion is that you are allowed (and it is recommended) to have more than one budget.

In fact, your plans to get through will probably involve a minimum of two scenarios.

The first we call plan A.

This is where you let your optimism reign. You set some key indicators that will be used as a measure of you being on track. All is well until something goes wrong. Oops, the wheels just fell off your Plan A!

This is where you need to have already formulated a Plan B.

Plan A is your hope for the best whereas Plan B is your plan for when it doesn't go as hoped.

Both scenarios require budgets, which can then be put forward to your next B...

THE BANKER

Banks are cash flow lenders. They like to see regular money streaming into your account as you sell your honey and generate other revenue sources.

What they don't like are surprises.

When you can see your cash flow tightening, you need to be communicating early with your bank.

Let them know in advance the problems you are experiencing, lead them through your plan to get through and take your business adviser or bean counter along with you.

It is so important that your bank is aware of problems coming up so they can ensure appropriate support is in place before you need it.

It no longer works where you phone up the manager to say, "hey I've got \$20,000 in wages to go through tonight and I'm already at my OD limit. Can you clear these payments until I get money in at some stage?".

Such a phone call throws banks into panic mode with your business and threatens your ability to continue in business.

Banks understand that businesses go through rough patches. They see it across many industries but they cannot help you effectively if you put your head in the sand and go into denial or blame mode.

Banks like to help businesses who are actively helping themselves and are working to a plan.



The next B to talk to is...

YOUR BAND

This is your team.

Your team is your family, your workers, your contractors, your suppliers and your landowners.

Communicate with each of these band members about the problems your business is going through. They too will want to know that you have a plan to get through.

Your band might have some great ideas to help out, so please be humble enough to ask them for help, ideas, more time to pay, or relief from site rentals, etc.

Over the years beekeepers will have built key relationships with landowners, farmers, horticulturalists, etc. These people may have ideas or be able to assist with taking on excess staff of yours into their operation.

No, casual farm work is not what you went into beekeeping for, but if it helps keep bread on the table or helps you retain good staff then you'd be silly not to explore this alternative.

The last B is one of the most overlooked...

YOUR BUDDIES IN BEEKEEPING

There is no one who understands the challenges you are going through like your buddies in the beekeeping game.

We hear a lot about Rural Support Trust groups, discussion groups, etc. in the livestock farming game but for various reasons, beekeepers keep their cards very close to their chest.

In troubling times, you need to reach out to others in the game, not only to share your burdens but also to check if they're OK.

Once again, their input into your plan is very helpful and gives a reality check on everyone else's input.

YOU'RE NOT ALONE

Beekeepers are not alone in the business struggles since COVID-19. Forestry is going through a massive slump, commercial crayfishing has experienced very tough times for nearly three years, some orchardists have struggled to get crops picked due to labour shortages and freight issues. All businesses are struggling with supply chain issues and ever-increasing costs. It's tough out there.

Gather and build a team around you to get you through—the most important thing is to communicate and reach out. Some beekeepers will need to face the reality that without a solid market they no longer have a business. For them, getting out of the industry right now may well be their best move. The good times, however, will return so for others, your job will be to ensure your business survives long enough to see those good times again.