Karma Farm Business Q + A

1. A Year in the Life
    a. Explain how your business cycle looks throughout the seasons and what those time frames are (thinking through seeding, growing, harvesting, ordering and distribution)
        i. All of these processes happen throughout the year at different times- it just depends on the crop. For example, we are doing seeding for some crops while we are harvesting others. The main difference is in the delivery times: during the busiest months, we make two restaurant deliveries per week to Baltimore and D.C. as opposed to one.
        ii. Dec-Jan-Feb: This is the darkest time of the year, when things are growing slowly. We are at the bottom of our cycle. The only things we have available are root crops, the hydroponic units, and hardy, leafy greens. If you look at sales by month (look by accrual basis in QB), you will see that we are at the bottom of our season. At this point, I am just happy if we aren't losing a lot of money. I am happy if we are fairly close to breaking even. Note: Our payroll during this time used to be 100% of our revenue, and because there are other expenses, we were losing a lot of money. This has started to improve in recent years.
        iii. Mar- April: This is when the season started to pick up
        iv. May-Jun: We are officially in high season
        v. Jul-Aug: This is when we get our highest revenue
        vi. Sept-Nov: Things start to slow down. We typically are doing mostly squash crops and root crops during this time.

    b. What does a typical week look like?
        i. On Thursdays, we send our weekly email out to restaurants to share our product availability. We get orders in on Fridays-Tuesdays. On Mondays, the main staff comes in to harvest for our Tuesday Baltimore delivery. The staff harvests on Tuesday for the Wednesday D.C. delivery. On the other days of the week, we are weeding, seeding, transplanting, doing general maintenance. During the busy months, we do a Thursday harvest for the second Baltimore delivery on Friday. Next year is when we will integrate a second D.C. delivery during the busy months.

    c. How do the seeding and harvest cycles work?
        i. Each vegetable and variety has a different schedule (radishes are fastest at 22 days from seed to harvest, carrots are slowest at 60-110 days)
        ii. The process is typically: seeding- transplanting- harvesting

    d. What is the time commitment for these various activities?
        i. Harvesting takes 60% of staff time, planting:15%, maintenance: 10%, 15%: miscellaneous tasks

2. Talk to us about your customers-
    a. How many customers do you have in DC? In Baltimore? What is your target market in terms of type of restaurant?
        i. 15 Baltimore restaurant customers who are regular and consistent, 15 if we are counting less consistent customers. In D.C., we have 10 restaurant customers
    b. Target Market: High-end, successful restaurant that currently buys through distributors but has a desire to incorporate some local products on the menu.
    c. Tell us about the variety of ordering patterns you experience and some of those challenges.
        i. Currently, the orders come in weekly via text, voice, and email. Most come in through email, and I forward them on to my staff. I don't mind getting orders in different formats necessarily, but the one struggle is when customers order late and ignore our cut-off.

3. What are the top inefficiencies you struggle with to date when it comes to supply/demand?
    a. Aside from predicting and projecting demand of our customers, our single biggest inefficiency is in controlling our supply. There are elements that are difficult to control, like weather, weeds and insects. For example, when we are really busy, we may notice an insect and ignore it, but within a week our crop is wiped out. We are doing what we can to institute more control mechanisms on the supply side, however. For example, we are investing in more equipment/automation to control weeds and we are starting a staff education element on identifying invasive insects. Even the weather, though, really determines our yield from season to season, so indoor hydroponics and temperature-controlled hoop houses really help to manage this. The challenge here is that many equipment investments make sense if you have a large-scale operation, with acres of a certain crop. When you have a smaller operation with high crop diversity, certain investments aren't a good fit, so it's about finding the right tools and machinery that fit our operation.

    b. In other words, what should these solutions that we create today aim to tackle?
        i. Customer can come and go, so identifying past patterns will enable us to have more control over forecasting demand. The more we can manage the demand and supply sides of our business, the more profitable and efficient we can be.

4. Would you say there is value in exploring other methods/ time frames for customer ordering? In other words, is the weekly ordering the best fit for now, or should we explore other possibilities for making your operations run more smoothly?
    a. Automated, online ordering would make the process easier. It could also prevent/deter late ordering. One of our competitors, *Chesapeake Farm to Table*, has a good system for ordering, if students would like to take a look at this via their website.

b. At the end of the day, we don't want to break the bank, and we don't want to keep the process so formalized that we lose the personal connection. We also need to ensure that we keep it simple.