

How to Scale Your Food Business



Preparing your food business for growth poses a unique set of challenges and opportunities. Scalability is really about capacity – do you have the systems, staff, equipment and mechanization in place to accommodate growth?

Scaling any business takes careful planning. It requires adequate financing, along with the best systems, processes, technology and automation to meet the demands that growth will bring. Processes that work fine now may falter as production demands grow, leaving dissatisfied customers.

A Roadmap to Scaling your Food Business:

Sales Forecasting

- Review your current sales and marketing plan and strategize concrete ways to increase sales.
- Remember that increased sales can come from both new and existing customers.
- Implement a system to identify and track sales leads.
- Ensure you have time to follow-up on sales leads, or the appropriate staff to do so.
- Put systems in place to manage orders.
- Think about your billing and collection processes as sales volumes increase, and what systems or changes will be required.
- Prepare detailed sales projections with realistic timelines.

Detailed Planning

- Based on your sales projections, prepare a similar forecast for expenses which will be incurred in order to meet the new demand. Expense forecasts should include new technology, people and systems to achieve forecasted sales volumes.
- Review your profit and loss statement and plan for each new expense and when it might be incurred.
- Prepare a detailed strategy with both sales targets and related cost estimates, which will be invaluable in executing your plans.
- Determine how you will fund the expenses needed to facilitate growth.

Invest in Technology

- Invest in technology that can help you achieve growth with more efficient use of labour and resources.
- Evaluate your systems and processes to ensure that they work seamlessly together, which will help avoid problems down the road.
- Look at integrating your customer relationship management systems with marketing automation, sales management, inventory tracking, accounting, shipping and other systems.
- Use automation where appropriate and to minimize bottlenecks and manual labour where possible.
- Evaluate and upgrade software, hardware and networks to support the new technology and new systems.

YOUR FUTURE IN FOOD

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Invest in People

- Scaling requires an owner to make choices about where their skills are best used.
- Owners who want to prepare their business for growth recognize that they can't be everything to everyone.
- Decide which activities will be handled in house, and which activities can be outsourced or performed by new hires.
- Evaluate staffing in all service areas – customer service, marketing, manufacturing, inventory, management, shipping, human resources and accounting.
- Determine if it makes sense for some activities to be outsourced to other companies, like an outside provider to manage payroll or accounting functions.
- Promote internally where appropriate and hire strategically to fill gaps between systems.

In short, careful planning is the key to scaling a food business successfully, while mitigating the risks associated with uncontrolled growth.

Manitoba Agriculture can help you build your future in food. Our business development specialists offer consulting, pathfinding services, training and resources that will help you manage and grow your business.

Get support every step of the way.

Manitoba.ca/foodbusiness

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