By my count, this is the third time I have given a talk on Business to a group like this. If some of you have heard me speak before, you do not have to leave! Business is changing, the herb world is changing, and although basic truths are intact, there are aspects of business you should investigate.

My husband used to say he was preaching to the wrong people – the ones who were in the pews, and I feel something like that when talking to you today. You have taken the first step towards a better business, by coming to this conference. It is as simple as that. For everyone of you who is here today there are literally hundreds of new business proprietors or aspiring proprietors, who try to do it alone. This is the most universal mistake that people make when they start a business. You will need all the help you can get, from historical, philosophical and scientific resources to cyberspace. Your business is also inextricably connected to a host of other businesses – from the store where you buy office supplies, the distributor who delivers greenhouse equipment, to the common carriers who delivers products to you. You are also dependent upon and a part of a vast network, and the quicker and more firmly you connect, the stronger your business.

Even the smallest of businesses has two distinct parts. First there is the philosophical or raison d’etre. This nebulous part of your business reflects your interests, your character and personality. Individuality is important and it gives your business a reason for being.

The second part of business has to do with the mechanics of doing business. This includes all those things that you may like to ignore, licenses, book-keeping, planning, advertising, scheduling. Headwork is just as important as the handwork.

When I began research for this presentation, one of the things I read was a talk at Purdue in 1986. I glanced at it thinking it couldn’t be relevant in today’s world of FAX and Internet. But like any truth, these are still valid. Before you begin thinking business, seriously, there are five “Knows” to examine.

KNOW YOURSELF – What are your interests, talents, abilities? Do you like to work with people or alone? List things you are capable of doing, in which you have a passionate interest, or training and background, list these as positive reason for starting a business. List the things you don’t like, are uncomfortable doing, have no training or knowledge of, as negative reasons for starting a business.

KNOW YOUR GOALS – Where do you want to be in five years? Three years down the road? Next year this time? Set goals and write them down! At first it helps to set goals by months. These projections need to be on paper. Like Brer’ Rabbit said, “What you h’aint got in your feel you gotta have in your haid.”

KNOW YOUR MARKET – Do a Marketing Survey, or have it done by a local college. Do your own survey by visiting other herb businesses. Be absolutely certain of a market, and that it engenders sufficient cash flow.
KNOW YOUR SUPPLIES AND SOURCES – Study greenhouse and craft catalogs. Many are treasure troves of information. Locate local services, suppliers, talk to your country agent. Have back up sources.

KNOW YOUR HERBS – Herbs can be anything from moss-like to trees. No botanist could be absolute on such a collection. Keep on learning, be prepared to observe, record and assimilate knowledge.

If you can answer the five “Knows” well, then focus your thoughts on the wider aspects of small business ventures. Remember the old adage, “You can’t see the forest for the trees.”? Unless you back off and see your business in perspective you cannot make it grow. Don’t think that because you are starting in your backyard, or your kitchen table that this won’t affect you.

There are two areas of business today which you should be aware of. One of these is the general climate of business, and the other is the highly competitive market in herbs.

There is an international trend in business towards the “new industrial” revolution. The ideas espoused appear to be a new agenda, but they are practices as old as the hills. We emphasize “team work”, acknowledge the interdependence of all, and accept accountability as a prerequisite for business. Let me repeat this, teamwork, interdependence and accountability. These are key words for those in business.

The petroleum industry, which in some ways has led the way – has a historical background of team work. Until the latter part of this century, bringing in a well meant that owner, boss and manager worked with the drilling crews. The emergence of corporate structures changed this, but even today CEO’s proudly wear the patina of being “a part of the team”. This industry also embraces interdependence. Did you know regardless of brand, 87% of the gasoline we use is run through a common pipe line? By a series of injections, additives, and chemicals, a particular gas is formulated and channeled off. If every company had its own line it would cost you much, much more at the pump.

Accountability was another kettle of fish. Whether or not the oil patch, as it is affectionately called, would have undertaken the costly changes necessary to clean up the environment without regulations, is a mute question. The point is that they have changed and companies like Shell, Chevron and Sonat are actively and purposefully pursuing ways to make a profit without destroying the environment or an individual’s inalienable right to health and happiness.1

I use this industry as an example because it has an easily understood persona. Corporations are following suit, changing the corporate mission. Legislation has played a part, no doubt about it. (Who says we can legislate morality?) However, consider this fact. The growing awareness throughout society plays an equally significant role. The baby boomers – now advancing into management – were the first generation to learn songs, jingles, and slogans about the earth’s fragility, about non-renewable resources and littering, from Dr. Seuss, Big Bird and Mister Rogers. From kindergarten to college, stewardship was drilled into them.

If you think these changes don’t affect your venture you are mistaken. Small businesses have a bright spotlight on them, they need to e shining examples of teamwork, interdependence and accountability. It is a realistic, profitable way to conduct business. No matter how small your shop or your booth at a show, it is a business. You want and need for it to be successful.
See yourself as an important cog in the wheel of commerce. Do your part, accept your responsibilities.

Then nuts and bolts, or guide lines about which I spoke earlier, are discussed in a number of books and articles. So why am I talking about starting a business? Because it is scary and it is complex. And because, you need all the help you can get. Think of all the different prospects, growing plants, harvesting and drying, culinary uses, potpourri, perfumes, cosmetics, medicinals, aromatherapy, taking fresh cut to restaurants, selling in farmers’ markets, wreaths and swags, mail order of any sort, or all of the above. Entrepreneurs see possibilities on every side. We get one thing under way and have about conquered that and another opportunity opens up. The trick to being successful is to be able to stay on track. This is why you need to set goals, write a business plan, and do a great deal of head work before you begin the hand work.

Guide lines include mechanics – how to pay bills, secure credit, keep tax records, insurance. Guide lines are a help in dealing with employees and customers. Guide lines encompass the whole gamut of marketing, that is getting products to customers, profitably.

When herb businesses began to join together, as we did with the International Herb Association, we were in uncharted seas. There was a vast market. Herb events and businesses were novelties. This is no longer true, and a new business has more competition. You will have to be very sharp to stay ahead of the game.

The herbal business environment is fluid. On one hand, the growing public interest bodes well for us. Yet the plethora of herb shops, herb pharmacies, health food stores, craft shops, herbal gift stores, also means competition. Just as we have built too many malls in some places, we may have too many herb related businesses in others. Choose the thrust of your business carefully, weight its importance against others nearby and be ready to offer better services and products.

I won’t venture to guess what the shakedown is going to be, but the number of herb shops selling diet products and herbal remedies has simply mushroomed. Today you are confronted with competitive, kaleidoscopic market place. You are competing with such giants as General Nutrition for healthful herbs and with Wal-Mart for decorative uses and plants. I am not saying that you cannot be successful, but what I AM saying is your business must be very competitive and provide extraordinary service.

The interest in alternative medicines, and the acceptance of herbal practices as complementary medicine is a phenomena. Every popular magazine is exploring the use of herbs. Even CNN has devoted prime time to this. But let us be careful, the gains made in this field have been hard won. It would be devastating if a novice practitioner were to advise wrongly. If you are interested in this aspect of herb business, I urge you to study long and hard, affiliate yourself with a course of study, and be open to suggestions and change.

Change is a part of growing and every business needs to be able to change. Follow your business plan, but accept the fact that it is written on paper, not in concrete. It may be necessary to let some of your dreams go, if opportunities and environment and profitability place new goals in front of you.

I’ve had to make some hard changes the past year. This came about when my cousin, who had lived with me for nearly ten years died. We bounced ideas off of each other on greenhouse production, advertising - y–u name it – all the things that make up a small business.
Generally the bouncing produced results. But I have had to look to other sources for criticism, evaluation and support. One that has had surprisingly good results is looking outwards to people interested in, and understanding of, but not necessarily a part of my business. My daughters have provided me with many new ideas, as did others. We have changed, opened a new shop, revived classes. Comfortable old ways are still in place, but those which were not profitable are gone, and new things are taking their place. This “outside” advice has proved to be a valuable resource.

        No matter how much you enjoy a business, sentiment must be curtailed. You can love what you are doing, be fascinated with learning, but the bottom line is – if it doesn’t pay, don’t do it, as least don’t continue to do it. This was brought home to me in late 1995 when we had a disaster in the greenhouse and lost about 95% of our stock. When we finally cleared the mess out, we no longer had two Norfolk Island Pines (One did survive!), no jade plants, courtesy of an old friend, no Sanseveria from a hospital planter, no philodendron from who knows where. Our sentimental jungle is gone. Now I am careful and grow only “herbs”. Is there anyone here who would like a nine foot tall Norfolk Island Pine that is slightly dilapidated?

        Many beginners let interest and sentiment cloud their perception of the business. They are having such a good time, that they don’t realize the business is not growing as it should. This is why it is important to stay on track and practice good business policies and procedures.

        Don’t run your business out of your hip pocket, or apron pocket, as the case may be. When there is no delineation between earnings and profits there is simply no profit. What may have begun to support a hobby, no longer supports the hobby, but may be a drain on the household budget.

        Take heart in the fact that the backbone of the American economy is the small business. If it weren’t for them, there could be no large businesses to build trucks and tractors, mold plastic pots, fabricate steel for greenhouses, mix growing media, design containers, or sell us computers and office supplies. If you haven’t been reading the Wall Street Journal, your daily newspaper, or the many trade magazines devoted to herbs, then take time to do so. It will make you feel good about Mom and Pop operations, their growing popularity and profitability. There is every indication that owner-operated firms will continue to flourish. New businesses continue to be established by individuals.

        Small businesses can be successful. But business requires current creativity over and over. And if you don’t like working with people, if you are sure you know everything, if you can’t or won’t discipline yourself to a schedule, you will fail. “Entrepreneurships” are the most demanding and rigorous of occupations. They are also most rewarding.

1 Interview, with Catherine Souby, Research, Shell Oil company, and Chris Peddie, Internal Audit Division, SONAT, Houston, TX, November 1994
2 “Tell Customers You’re Local,” Mitch Whitten, Greenhouse Center Merchandising and Management, June 1994
3 Managing by Storying Around, David Armstrong, Doubleday Publishers, 666 Fifth Ave., NY, NY 10103