

Taunton Monitor Farm meeting report

Meeting 3: How to assess a financial proposition – to enter a joint venture or not?

Speakers: Adrain Matthews (Savills)

Date: 13 February 2019

Location: The Anchor Inn Hillfarrence, TA4 1AW

For more information, visit: cereals.ahdb.org.uk/taunton



Meeting summary – key messages

- Joint ventures can help spread risk and workload
- It's important to make sure that each party's objectives are established at the start of the venture
- Don't assume anything – make sure that all eventualities are discussed and an agreement is made as to what actions will be taken in each situation

Business planning – key questions

- Why is change being considered?
- What is being proposed?
- What are the benefits – financial and non-financial?
- What are the risks – financial and non-financial?
- What are the requirements for finance for the existing business and any new company or partnership structure?
- Why should the bank support the proposal?

Key ground rules

- Define both businesses' financial, non-financial business and family objectives
- Cooperation has to benefit all parties
- There are a very wide range of options with different degrees of cooperation – assess them all and applicability to circumstances and objectives
- Discuss the implications with all your business advisers (and with friends)
- Establish ground rules at the outset (including exit strategies) – never assume

Potential issues that need to be considered

- Degree of cooperation – this should be covered in business planning, as above
- Time – related to the objectives
- Money – capital expenditure, working capital, cashflow
- Control – division of decision-making and responsibility
- Reward – equal or fair benefits
- Risk – equal or fair risk commensurate with reward



Find out more – Links to AHDB information sheets or research

[Driving productivity growth together](#)

[Knowing your business and keeping your bank manager on side: webinar](#)

[Farmbench](#)

Next meeting

Date: 13 March 2019

Topic: Fungicide strategies

Time: 10:00

Location: The Anchor, Hillfarrance, Taunton TA4 1AW

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