How to grow mushrooms….

Business Studies questions…

Business in the real world….

Currently the farm sells over 99% of its mushrooms directly to Waitrose, who then sell them to their customers as a fresh product. This is not the only Mushroom farm that supplies Waitrose, as when demand in the stores is high (usually in the colder months), the Waitrose stores buy in mushrooms from other suppliers.

The Leckford Estate Mushroom Farm works to maximise their mushroom yield and aims to sell every mushroom that they grow.

1. Explain why this is important for them?
2. Why is demand for mushrooms greatest during the autumn and winter?
3. As the mushroom farm is normally at full capacity and unable to increase output to meet high seasonal demand the Waitrose stores must outsource the additional mushrooms from other suppliers.  Explain why the farm chooses to let other mushroom growers benefit from the increased demand.

As a Waitrose farm, the farm has one customer, who they sell directly to.

1. Discuss how this can be both beneficial and a limiting factor for the farm?

Marketing….

1. What features are important for Waitrose when they are designing the packaging and labelling for their regional mushrooms

The mushroom is seen to be a healthy food product, indeed super mushrooms are being developed which have additional Vitamin D and Vitamin B12

1. How might this development impact upon the demand for mushrooms?
2. How would such a development affect each element of the marketing mix?

Finance….

The Leckford Mushroom Farm is part of the John Lewis Estate and everyone who works on the farm is a partner in the business.

1. What is a partnership and what are the financial implications for the farm?
2. Most of the mushrooms grown on the farm are sold to Waitrose stores, to be sold onto Waitrose customers. Which pricing method is the most appropriate when calculating how much to charge Waitrose stores for each punnet of mushrooms?

Human Resources….

The mushroom farm currently employs a large team of pickers to harvest their mushrooms. Each team member has undergone a thorough training programme, including ‘on the job’ training. A picker completes their training when they can select mushrooms appropriately and harvest at least 23kg of mushrooms per square metre every hour. This can be take up to 6 months, although usually takes just one month.

1. Explain what ‘on the job’ training is, and why this would be appropriate for trainee mushroom pickers?
2. What would you include within the induction training for a new member of the picking team?
3. How might new mushroom pickers be recruited? How would the position be advertised and what elements of the role would you include within the advertisement?
4. The role of the mushroom picker could be very repetitive, yet it is vital to the success of the farm that they consistently meet high standards of selection and productivity. They are paid by the hour, so how can the farm motivate their team to ensure that ‘every mushroom is picked’?

Operations….

The environment within the growing rooms is constantly being monitored to ensure that mushroom production is both maximised and staggered so that the Farm can get the most mushrooms from each batch of compost as it can. It is vital that the picking team can pick appropriately to enable different sized mushrooms to develop and meet the demands of the Waitrose stores.

1. Explain the factors that could affect the management of the growing rooms and their likely impact upon productivity?
2. How can the Farm Team manage these factors to ensure that productivity is maximised?

A successful business must be able to minimise its inputs and maximise its outputs.

1. List the inputs and outputs for the Farm
2. How can the farm work to manage these in the short and long term?

Discuss:

Can you suggest how the mushroom farm could become more profitable? Are there markets for their left-over mushrooms that could be explored? Are there potential investments that could be made to improve productivity? Consider the current economic climate and other internal and external factors that would affect the profitability of your ideas and evaluate their likely success.