

*Freerangin'----* **'Lifestyle Enterprises' - Aspects of Multi-Dimensional Lifestyle Enterprise Planning** ( for a 'survive and thrive' lifetime journey).

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( **n.b.** further detailed planning aspects are included in another 'Freeranger' publications from the 'book' page of this website:

*'Freerange People : Lifestyle Enterprise Planning' )*

**'Lifestyle enterprise** – what is it?

If someone decides to follow her/his 'calling', his/her 'vocation', her/his 'passion', and make their living on that path, one route open to them would be to set up a 'lifestyle enterprise' – their own 'business' in the area of their interest/passion. A 'live' example might be illustrative:

*A, living in south-west Scotland, was on outdoors type, interested in a variety of activities from hill walking to kite boarding. He'd had a variety of unsatisfying jobs and his opportunity for a more satisfying life came when a farmer friend decided to diversify his farming business into the leisure area by setting up an activity centre, offering A a chance to run it and a partnership in the venture. A was very keen, and with his level of knowledge and enthusiasm, and his partner's business acumen , they created a successful enterprise which was able to withstand the inevitable set-backs that came its way.*

There is a view that as natural interest is a key part of human motivation, which can be a significant business ingredient, it could pay all businesses to be set up along the lines of 'lifestyle enterprises' - maybe the current more 'control culture' rather than a motivation approach indicates in itself that such is not necessarily though the current case.

***A basic approach***

The combination of A's passion and his farmer partner's business-like approach in the case-study above gelled well- they knew each other pretty well and liked and respected each other, as well as both standing to gain from the venture.

A relatively common pitfall along the 'lifestyle' route, and sometimes seen in rural enterprises, can be that the high level of enthusiasm and passion, creating a natural considerable desire, then sometimes eclipses any 'hard-headed' reality approach also needed to ensure the 'survive and thrive' approach, ensuring the participants enjoy their passions over the longer-term, as well as the short-term. And because of the level of passion behind it, it can be particularly 'heart breaking' when such a lifestyle business does 'flounder on the rocks'. To aim to ensure as far as possible such an outcome doesn't happen, the multi-dimension approach can be employed, which can be put dynamically relatively simply:

HEART > HEAD > WILL

Fairly clearly the 'heart' dimension represents the 'passion', which in turn represents the level of the individual(s) natural interest, and is the starting point. Once that has been established (and can a person be 'passionate' about something without natural interest - ?), then the next phase is 'head' –

the brainbox is used to fathom out a viable route to a successful application, which is then put into action. The third dimension, probably of equal importance, is then that of 'will', representing the need for energy and drive to see the project to fruition and beyond, and to cope with probable inevitable hurdles and set-backs along the way.

In the case-study above, it could be said that A was the prime mover in the first dimension (heart), his former partner the prime mover in the second dimension (head), and both of them equally in the third dimension (will), a combination which worked well to achieve a successful outcome, illustrating also the potential advantages of partnership.

The 'danger' in terms of lifestyle enterprise establishment can be that the level of interest and passion being so high, such a situation can then by default obliterate the need for the other dimensions and thereby increase any risk involved. The adoption of the multi-dimensioned approach can significantly increase the chances of establishing an on-going viable and sustainable enterprise.

*The dimensions in more detail:*

### ***'Heart' dimension***

People are by their natures so bio-diverse that it would probably be impossible to be definitive about this dimension in terms of over-strict guidelines – by its very nature this has to be down to the individual, and to what 'floats their particular boat', and the range of possible human interests could almost be infinite.

There could be, though, factors of a more general nature which could influence this dimension, some examples of which are:

- *the degree of individual freedom and choice operating in a particular culture could be a fairly obvious variable, one which could actively affect the individual's range of choice.*

- *the current type of culture eg. food retailing organised large-scale (eg. super/hyper markets), as against smaller-scale, limiting to some extent potential opportunities, conditions eg legalities suiting larger-scale rather than small-scale*

- *the degree of 'money conditioning' within a culture might affect the type and scale of enterprises chosen, as well as the choice of independence in the first place. Cultures more focused on larger-scale business/commercial operations in practice are often for various reasons focused on profit making as the main goal, the 'end', whereas the lifestyle enterprise's objectives can often be more diverse, for example:*

*to lead a satisfying, more fulfilling life, to provide a good service to the community, to create something of artistic/aesthetic value and beauty,*

Money therefore, for the lifestyle enterprise, can often become the 'means' rather than the 'end', quite an alternative approach to the current 'general culture approach, but an approach the vision of which could be restricted if money making has become an over-riding 'conditioning' objective within a particular culture.

*(Interestingly, it might yet be a good strategy for business in general, as if the focus is on, say, 'providing a good service to society' (as opposed to short-term maximum profit making), The fact*

*that consumers get a good deal, means that over the longer-run they repeat buy and recommend the service to others, losing a little in terms of 'maximum' profit maybe in the shorter-run, but winning in the longer-run i.e. by making 'profit making' less an overt focus, ultimately profits are protected and potentially over the longer-run, even better)*

Given, then, the fact that the culture might well carry conditioning within it, the individual might then have to embark on a 'self-search', an active investigation of what is meaningful (and therefore of 'natural' interest) to them. One actual example of such a search is as follows:

*S had been a successful career-er, with an affluent lifestyle to match – she lived in a luxury apartment, had an expensive lifestyle, complete with the high value sports car and high-end holidays. She at one point, though, realised she was as yet unfulfilled, a little internal voice asking her 'is this it?', which for awhile tried to ignore. A bit rattled by such events, but nevertheless also intrigued, she bravely decided to 'follow the voice' and undertake a sort of 'self-interrogation', as she put it.*

'Ok, I thought i'd 'got the lot, so if I haven't, what's missing?'

*The answer came back to her, that there was indeed 'something missing', and that she needed to then further self-enquire to discover what it was. After quite awhile of 'self-enquiry' she nailed her problem down to a sort of 'separateness', leading to an inner loneliness.*

It was a brave route she took, and quite demanding, leading eventually to her current situation in which she has a prominent position in a home for damaged children, where although materially less well off, she feels an inner fulfillment. Maybe a point to stress is that there's not likely to be a blueprint – the individual can presumably only discover 'inner meaningfulness' for her/his-self, and that this is likely then to be a unique 'finding'. Live case studies can of course be useful both on the inspiration and affirmation fronts.

### ***The 'multi-dimensions----***

Lifestyle enterprises are generally set up to facilitate people in leading satisfying and fulfilling lives following their interests and passions, money making then becoming secondary – the 'means' rather than the 'end'. This is an alternative to current general commercial practice, which these days can tend often to focus on making 'big profits' – money making the 'end' in itself. The lifestyle approach is demonstrated by a group of rural lifestylers, farmers, who rated their priority of objectives as follows:

- 1) profit making -to need levels
- 2) having the fulfilling lifestyle
- 3) caring for the countryside/environment and staff
- 4) having adequate cash flow
- 5) having sufficient leisure/family time
- 6) profit making – maximising profit levels

Profit is plainly important – without enough of it the future of any enterprise is put in jeopardy. Once, though, enough profit is in the system, priorities turn elsewhere, with quality of life priorities then featuring, such as having the desired lifestyle to give satisfaction and fulfillment. For the lifestyler, then, the situation tends to be multi-dimensionally framed, rather than having a single financially dimensioned focus.

Another investigator of rural lifestylers' objectives grouped the various multi-dimension strands:

- *intrinsic* objectives egs. lifestyle, quality of life, personal development
- *instrumental* objectives egs. profit making, cash flow generation, effective risk management
- *social* eg. belonging to a close local community
- *personal* eg. opportunity for individual creativity and originality, for individual fuller development

Plainly the multi-dimensional nature of the priorities of lifestylers is demonstrated – in one study of rural lifestylers, for instance, sixteen key priority areas were identified. Such complexity contrasts with the common commercial single-dimensioned objective of simply 'money making'.

Are, then, lifestylers taking on more complexity, more 'depths' in life and by so doing gaining valuable experience in handling such 'life complexity' - ? A key step in handling such complexity, for instance, is the need to frequently review the priorities amongst the array of potentially important (and often conflicting) aims and objectives – in one period boosting production to ensure profit viability might be the key objective, another period might be more geared to, say, longer-term husbandry and caretaking priorities, whilst yet another more to, say, social, priorities – the journey of the lifestyle enterprise has then its own 'multi-dimensional' dynamics.

### ***'Head Dimension'***

Once the interest/passion area is known, and if a lifestyle enterprise is on the cards, then in a multi-dimension approach, the next step can be to figure out, via the 'head', a likely viable route to a 'survive and thrive' lifestyle enterprise application. Within the farming industry, for instance, there's more than a few who've had the interest and passion to go farming, working with animals and growing crops, and there's unfortunately been a few that have come unstuck due to lack of 'head' input, one of the potential problems being that the 'head' side can at times be perceived as conflicting with the 'heart' side:

*D trained at an agricultural college and had had quite a bit of farm work experience. Unexpectedly, an Uncle passed away, leaving a nice small/medium sized farm of 125 hectares to D. Having previously had a legacy, and with some potential borrowing, D was able to access a reasonable amount of working capital to equip and stock the farm, and was keen 'to have a go'. He had always fancied having a beef suckler cow herd and a pedigree sheep flock and proceeded with both, as well as growing some corn. He liked an environmental approach, not wanting to farm intensively, thinking too that this would be good in terms of not having to buy in too many expensive inputs.*

*Unfortunately, though, he didn't weigh up how his system might perform economically as a whole, and whether it might be a viable business proposition. In practice it proved not to be, because his land area was relatively limited to be farmed quite so 'extensively', combined with the fact that the beef, sheep and corn enterprises were at the time relatively low-powered farming enterprises, all of which added up to insufficient economic momentum to gain business viability i.e. create enough yearly spendable funds to meet needs.*

The potential 'heart v. head' conflict can be classic - in practice many – most? - viable small businesses often tend to be combinations of both dimensions. D, above, may not have ideally wanted a further farm enterprise in his system -say a more intensive barley beef enterprise – but if he'd weighed up at the start that to be on-going viable he needed such an additional enterprise, he'd have been able to continue farming and enjoying his lifestyle and suckler beef and sheep activities, rather than ending up having to unfortunately call it a day due to mounting indebtedness.

*(One way, for instance, that's used to assure the 'multi-dimension' approach is to employ an 'objective' specialist, here say a farming business consultant, to check the potential on-going viability of the enterprise.)*

There are some key 'head' areas to assess:

*Will the lifestyle business make enough profit ('yearly spendable funds') to meet normal needs and therefore be viable?*

*Note: 'making a profit' as an objective is insufficiently precise -the amount needed needs to be assessed – in one farming area, for instance, one farm making £25k profit was 'viable' and therefore on-going, another nearby was making £55k yearly profit yet racking up debts, potentially threatening on-going 'survive and thrive-ability'.*

**'Normal' yearly financial needs** (to be met out of yearly profit):

*£'s to meet yearly living costs ('private drawings'), £'s to meet yearly re-equipment costs, £'s to meet any loan repayment of capital obligations, and £'s to meet any tax liabilities.*

This key area is normally tested via a normalised (i.e for a full production year) profit budget which measures the expected total of normal yearly sales ('outputs') against the level of expected normal yearly total costs ('inputs').

If the excess of sales total value over the total expected costs (called '*profit*') is greater than the pre-identified total yearly needs figure, then likely business viability is demonstrated and a 'survive and thrive' enterprise identified.

*(n.b. This does assume that realistic figures have been used e.g. for sales and costs, for expected production levels and workloads, for instance).*

Another key 'head dimension' area to assess: the state of the potential customer demand

*Expected sales level ----- how buoyant is the market to achieve this?*

*Y's passion was for books and literature, When her Aunt passed away leaving her a reasonable amount of money, she decided to rent a shop in the local town and start a book selling business, something she'd always had in the back of her mind. Unfortunately there were two existing book shops which already over-supplied a relatively small marketplace and Y was ultimately unable to exercise her passion due to lack of customers.*

The salient point from the case-study above was that Y was unable really to exercise her passion in the longer-term due to a basic business problem: lack of demand, or rather, lack of unfulfilled demand. Another '*lifestyle enterpriser*' aimed not to fall into this particular trap:

*J was keen to start a diversification enterprise on the farm she helped run with her partner. Her particular passion and know-how was to do with horses and she was keen to investigate the possibility of setting up a horse livery on the farm, which already had a redundant cow shippon (i.e. building) suitable for conversion to twelve horse boxes. This enterprise did not need to provide a full living for someone, rather its viability was seen as providing a useful and needed supplementary profit budget figures indicated was likely. J's question now was:*

'is there a local market for this type of service, and if so, what type of service would people want?'

*To help her in this she devised a 'cunning plan'. She identified from the phone book yellow pages the existing horse livery establishments in the area -she knew of a lot of them already - and then rang each posing as a customer (all's fair in love, war, and market research!), enquiring about their availability, range of services, and prices. From this 'market research' she found out quite a lot: that DIY livery was readily available in the area, but that particularly full livery was in short supply, the services/facilities she would need to offer, and the price ranges to be competitive.*

*Consequently she went ahead with her lifestyle enterprise based on offering five-day and seven-day full livery services, and had no trouble quickly filling the horse boxes and then within three years doubling the size of the enterprise, which fitted in neatly with other factors such as taking on a further full-time groom, and available grazing land.*

When planning and starting a lifestyle enterprise it may well be important to establish where 'the gap in the market' is, and what is needed to fill it – the fact that there is customer demand for that particular product or service may not be enough, it's identifying 'unfulfilled demand' that could be important, for instance.

*Key 'head dimension' area to consider : Risk levels*

Probably all enterprise activity involves risk, in that quite a bit of time, emotion, energy, and cash has to be committed before any enterprise results are forthcoming ( it could take around seven years, for instance, in the case of setting up a vineyard) – and just because the projections on paper say that the enterprise should prosper, doesn't *guarantee* that it'll necessarily happen like that in reality:

*B took over a light engineering business from his father and decided to follow his particular interest to specialise in fabrication at the higher end of the market, expanding the business and investing in specialist machinery. He took on more staff and borrowed capital to finance the extra investment in machinery, resulting in higher overhead costs for the firm, which the high value work sales would more than cover. Unfortunately before he really got into his stride, a recession hit, resulting in a downturn in the higher value end of the market, and B struggling with higher overall costs. Fortunately, B got timely help from a business friend of his father's and with re-focus and a considerable re-structuring, survived the crisis, a relieved and wiser man.*

B to some extent fell into a fairly common and 'natural' potential pitfall, that of 'over positivity', leading to over confidence, leading to following a business strategy of expansion, when on reflection the conditions weren't over-conducive to it. Bankers call looking at a possible less positive outcome as the '*downside analysis*'. When setting up a '*lifestyle enterprise*' with natural

enthusiasm and expectation, it can seem strange to some to then consider a possible negative outcome scenario.

Dynamic factors, though, as in the case-study above, can happen, introducing the element of risk and threat, and the idea of undertaking a '*what if*' assessment if conditions do worsen, and, say, sales don't reach the positive outcome level, is to aim to assess '*realistically*', rather than through any '*rose coloured specs*'. If the 'downside' assessment then shows that the crisis could be ridden, or 'squeezed through', that is reassuring to the financier, but also equally important, to the lifestyle enterpriser themselves.

Paradoxical in a way: looking at the possible negative scenario, and being then able to 'see a way through', then gives a positive confidence boost to the enterprise and those involved in it. If the 'downside analysis' is carried out and doesn't show a survival scenario, then although this can be quite a blow, it suggests that it could well be a 'back to the drawing board' situation, often then with a stronger and more viable enterprise plan then ultimately emerging, and certainly giving the lifestyle enterpriser more precise knowledge of what will likely work, and what won't likely work.

### ***'Small still sound----?'***

Traditionally in the rural sector, enterprises were often started up at a small-scale level, not requiring quick 'massive' sales to legitimise them, testing and exploring, and creating the market as they went, gradually then expanding and transmuting into full-scale enterprises. In today's fast-paced, 'big bucks' world such a steady approach might not be in vogue, yet it was one which limited risk, allowed enterprisers to accrue valuable and relevant 'market' knowledge, and also allowed time to 'enjoy the journey'. Hurdles and disasters were often coped with too, due to the 'starting small' strategy. (The Millennium Dome project, for instance, started big – too big maybe, it being reported that visitor numbers to it were over-estimated and budgeted for by a factor of 100%).

Two modern 'starting small' successful lifestyle enterprises are outlined below:

1) *G & G had professional level jobs but had a yen to live simple lives in touch with nature. They came across a fairly basic, unmodernised cottage with some outbuildings, and nearly five acres for sale at a reasonable price. In spite of some misgivings – they had two young children – they went for it. Professional life began to pall for them with seeming never ending sets of procedures eating into their professional independences, so they looked at going entirely independent and how they could do it. They decided on a partial self-sufficiency plan, with food from their land, fuel from a 1.5 acre wood on their land, and maybe more dramatically, a zero dependence on services or machines of any sort.*

*Their additional strategy would be to grow via a biological (i.e. same as organic) system of vegetables for sale, getting them to a market stall in a nearby market town on trailers behind bikes. One of the partners remained in employment initially till they got their enterprise 'up and running' (it would take them approx 6 months to have an array of veg to sell, for instance), but once they found that the system could work and that the market stall was a financial success, they were both able to devote themselves fulltime to their lifestyle, living for nearly thirty years in an idyllic, peaceful green 'oasis', with few bills to pay, and bringing up two children. True their limited cash economy would not stretch to that many luxuries, but their (to them) satisfying lifestyle mean't that they didn't particularly need or miss them.*

2) *L was an arable (crops) farmer who one day noticed that a small area of land (about half an acre) near to his house never seemed to get planted up, it being a bit awkward for modern*

*big farm machines. He was suddenly struck by the thought that he could have his own little hobby vineyard there – he was interested in wines and viticulture. This he did, in time making wine out of his home-grown grapes in the old-fashioned basic way, which he then drank and gave to friends and relations, finding it a pleasant diversion from his normal activities.*

*After awhile he realised that he was getting quite a few requests for his wine, so without too much planning he put another couple of patches of land awkward for farm machinery into vines, and so it went on until he found he had 4-5 acres into vines, then sending his increased harvest of grapes to a distant vinification plant to be made into wine. At this juncture he realised he'd gone away from his interest, i.e. the wine-making, and was in essence just growing another crop.*

*Reassured by the successful sales from his current smaller vineyard, he then made the decision to expand the vineyard and invest in his own vinification plant to actually make the wine.*

*These days he, with now his son, has further expanded the vineyard to around thirty acres making all his grapes into his own wine (and winning awards) , plus having established a restaurant on site as well as a visitor attraction enterprise with vineyard and winemaking tours. A key ingredient to this now very successful main enterprise – the farm now takes a the back seat - has been his own considerable interest in and passion for wine and winemaking, which he has been able to develop to a strong level by taking it in stages, thereby limiting exposure to risk.*

### **'Head' Dimension (2):**

Some other useful, even key aspects of 'head' planning for the lifestyle enterprise can be identified:

- **market research**, as already mentioned. A key aspect here is not just whether a market exists for the product/ service being investigated, but also whether there's spare selling capacity within that marketplace, and if so, what is required to successfully meet that unfulfilled demand. That's not to say that, especially for new ideas, markets can't be created – in such 'embryonic' market situations it might then be wise to consider 'starting small' and develop the enterprise ' alongside' 'market development', as it were.
- **marketing options** Selling via 'face-to-face' retail (eg, farm shop, which not only provides goods, but also a semi-leisure quality experience), selling via internet, selling via market stall (as the organic veg producing smallholders mentioned above successfully did.) Selling via word of mouth (as many quality small building outfits do - zero marketing costs and a waiting list of customers.) Selling 'on site' (as the wine producer mentioned above did.) Selling via doorstep delivery (eg. organic veg box schemes) There are quite a variety of marketing options, the trick is to employ the one(s) suited to the produce/service.
- **promotion/advertising** In many instances, promotion and advertising could be key to the success of the lifestyle enterprise:

*R and F decided to take on their now-defunct local village pub. The pub though, had not long gone*



*out of business due to lack of custom, so obviously a viable marketing and promotion strategy capable of revitalising trade, was going to be pretty vital to the venture's success. Fortunately R and F were both pretty gregarious and sociable people who others liked – good for the job of running a social business enterprise like a pub, but also good in the fact that they had useful contacts to give them good, unbiased advice in their interest.*

*One of these, D, had useful knowledge and experience in the marketing area and stressed to them that it would be good 'to hit the ground running', as it were, when they re-opened the pub after a suitable re-fit. With D's help, they devised a plan: they would spend quite a bit on advertising the coming opening for several weeks in local papers. In the ads. they would stress, for instance, 'opening offers' such as a free drink with every meal bought for the first month, the strategy being to lure people to the pub, and then by such 'giving', to create goodwill, to then induce people to 'give back' (i.e. spend, and re-visit). Their 'secret ingredient' was that such a policy wasn't entirely 'cold-hearted' – they themselves were sociable, generous type people, who would generate positive responses in others. Their new business did 'hit the ground running' and became a solid success.*

### ***Legalities***

One new golf course development failed to keep their eye on the legality ball, with the result that they had a costly delay in opening due to having to make a re-positioned entrance to the venture. It goes without saying, then, that it can be important to stop and think about the potential legalities side of any venture.

### ***Financial returns***

Profit, and sufficient of it, will of course often be the key financial goal of the lifestyle enterpriser, but it may yet be important to give some thought and planning to other areas which can be important, particularly maybe in the early stages of the venture. If, for instance, the venture is likely to show the required level of profit but it'll take time to get there, as is often the case ( one of the commonest pitfalls in the financial planning for new ventures can be the expectation of over-high sales levels, too quickly).

Even for a relatively simple and straightforward enterprise such as that of the smallholders mentioned above, it took nearly a year for them to get fully into their stride – one of them continued working to provide themselves with cash to live on through this 'establishment' period. In the case of, for instance, setting up a vineyard, it could be six/seven years before cash flows in the form of returns. So looking at these 'cash flow' patterns in terms of aiming to ensure survival through to full profit streams can be particularly important. ( for more detail on this see FR Enterprise Planning – accessible from the books page on this site).

The other useful potential financial gain area in terms of running a lifestyle enterprise is that of 'capital building':

*E ran a small farm which was his passion, but he was struggling to make it pay. On the farm there was a 'bygone' building – an old cow shippin, which was now mainly used for 'odds and sods' storage. His girlfriend suggested he might be able to convert it into two holiday homes, the idea of which grew on him, particularly as he had useful practical skills. He applied for, and was successful in gaining, planning permission ('legalities'), and also a medium term loan from his bank, who were particularly encouraged in his plan to do most of the building work himself. It was a big project to take on, but it both interested and challenged him. In the end it took longer than bargained – he also had the farm to run at the same time – but after a couple or so years he got*

*there, creating a couple of quality holiday-let cottages. He now of course, not only had the farm property, but also a couple of additional properties, considerably increasing his capital worth, or his 'pension pot' as he used to say, also creating a 'risk reserve'.*

### ***Risk, assessment and management***

Back along, when many enterprises started 'small' and grew 'organically' i.e.. at a steady, 'natural' pace, risk may have been less of an issue – not so much would have been at stake, and, say, a loyal customer base gradually established, which could then inspire confidence to 'risk' more capital investment (and further expenditure of time and effort). Starting 'small' and growing 'organically' could still be for some, especially maybe lifestyle enterprises, a 'modus operandi' that could then cope with risk 'in its stride', as it were.

A more modern style, though, may well be to start up in a bigger way, which brings in the need for risk assessment and the need to generate 'counter risk' strategies. ( there is a fuller section related to this area in the 'Freeranger' publication 'The Planning and Development of the Lifestyle Enterprise', (check) available from the book page of this website). For the purposes of this piece, a point to stress is the fact that risk is present when funds, effort, emotion, time are committed 'now', in expectation of returns sometime in the 'future' - in other words, it's not really possible to eliminate risk, but steps can be taken, though, to reduce risk and in effect 'manage' it.

Someone, for instance, maybe who's interested, say, in producing fresh organic vegetables, could market them by either selling them into a wholesale market, or, say, direct to the customer via a veg box marketing operation. The latter route, for instance, gives opportunity for direct contact with the customer. A monthly newsletter relating to the produce and the farm from which it came could, for instance, be sent out with the veg box to increase grower/buyer communication, which can have an effect of strengthening customer loyalty, a valuable asset to have to combat market risk.

In the area of, say, financial risk, again there are strategies that can be employed to, for instance, reduce capital outlay to reduce the risk of 'exposed' capital. Employing contractors to carry out some operations for instance might well be an example of this, which may in the short term reduce profit potential a little – in the longer-term when sales have become more established, then safer capital investment could be employed to reduce reliance on contractors, if that's considered to be the way forward.

For lifestyle enterprisers, the 'downside' analysis could be particularly relevant, to help combat any excess initial (and natural -?) over-enthusiasm. Downturns can happen and if a way forward through potentially difficult times can be planned, then that in itself is an asset to the business and can create real confidence. If a 'knock back' factor of, say, a 20% drop in sales is applied to the enterprise budgets, due maybe to a general economy downturn, and yet a 'scrape-through' profit viable situation is then predicted by the revised budgets, then that offers the confidence that the enterprise could cope with such a 'knock-back' ( and if enterprise borrowings are needed, potential lenders will welcome seeing this sort of realism within the financial planning for the enterprise).

### ***Assessing the lifestyle enterprise***

Enterprise/business assessment/analysis has traditionally tended to focus on measuring the financial returns from the enterprise/business (possibly one of the reasons 'money focus' has over time become so strong---?). For the lifestyle business, though, money making tends to be the means to facilitate that particular lifestyle, rather than the end in itself, so assessment then needs to focus

on how well the often multi-dimensional lifestyle is facilitated rather than taking just a financial focus. The latter will still be important, but from the 'means providing' viewpoint rather than any maximising money making approach. This implies that the assessment then needs to focus on the priorities set for the particular lifestyle enterprise, which could often be multi-dimensional rather than single-dimensioned, as the following actual case-study can demonstrate:

*P and his partner H ran a large-ish conventional arable (cropping) farm in the south of the UK, which P had inherited. He was a competent and sociable manager, but with an increasing sense of there being 'something missing' – the farm was highly mechanised, resulting in a minimal labour force. Out for a meal one evening with his partner, P started reminiscing to bygone days when he was a lad and had helped his Dad on the farm, which in those days had a considerably larger workforce, most of whom he got on famously with.*

To be honest, he said, it seems a bit of a ghost farm compared back to those days', *he said.*

*It had started a train of thought, and a few days later he raised the subject again.*

'I've been thinking' *he said,* 'and I think I could kill two birds with one stone. D'ye remember me on about the farm being a ghost town? Well the other thing that's bugging me is that now the farm's simplified and specialised, it doesn't really want a lot of running -there's no development, and interest's waning. So I've been thinking about developing diversification enterprises which might solve both angles'.

The upshot was that, with his partner's support, he did go for diversification in quite a big way, creating a sort of a rural mini shopping precinct, with a traditional farm shop, bakery, farm/D.I.Y supplies outlet, antiques outlet and a kiddies 'super' play area, plus a 'pay-as-you-go' creche. He retained ownership and control of all the enterprises, but his management style was pretty 'hands-off' – basically he let the staff get on and run them, with basic salaries plus profit sharing arrangements.

*'They're good people who know what they're about'* he'd say, and his staff certainly seem to respond positively to his trust in them, aided also by the fact that they were able also to have a say in how things were run. He would say that one of his biggest thrills of it all was seeing the place 'come alive' again, which also suited his gregarious and sociable nature.

### **Multi-dimensional priorities**

To effectively assess, then, the lifestyle enterprise, it will often first be necessary to identify its multi-dimensional aims, which could be categorised under:

financial – *covering profit needs, cash flow needs, capital growth aspects, risk aspects*

personal - *covering current level of lifestyle satisfaction, interest, personal development needs*

environmental - *covering current level of environmental efficacy, development routes*

social - *covering levels of social achievement, business 'sociability', scope for development etc.*

stability/longer-term security – *covering the ability to sustain lifestyles over the longer-run*

other – *eg. some individuals may, for instance, have important, (to them), spiritual goals*

## ***Evaluation of enterprise via the multi-dimensional approach***

Whereas traditionally enterprises/businesses have tended to be measured by financial parameters, often fairly simply by how much money they make, basically the more of it the better has often tended to be the evaluation criterion - the lifestyle business, using money as the means rather than the end, and being aimed multi-dimensionally, as above, rather than single financially-dimensioned, then has to be measured multi-dimensionally. The fact that it may not in the short-term make as much money as its more 'conventional' neighbour, may well not mean that it is any less successful - when evaluated over its multi-dimensions it could in fact be more successful.

If it is possible to be specific in terms of its aims, this can help the evaluation. A general aim of the lifestyle enterprise, for instance, can often be to provide, via profits, a reasonable standard of living for those involved. This can be reasonably well estimated in £'s terms, which if then added to other demands on profit, as the example for a lifestyle farming enterprise below shows, can then give a 'sustainable' profit level figure:

<i>Yearly cash living expenses estimate:</i>	<i>£24,500</i>
<i>Loan/overdraft repayment commitment:</i>	<i>£ 5000</i>
<i>Yearly norm tax payment allowance:</i>	<i>£ 6,500</i>
<i>Yearly sum to renew capital items eg machinery</i>	<i>£8,500</i>
<i>Yearly reserve/development allowance</i>	<i>: £6,500</i>

*Total cash profit required (before depreciation charges): £51,000*

Making the multi-dimension specific has helped not only the required focus on the level of yearly financial performance needed, but also with the ability to then accurately assess the degree of attainment of this aspect of the enterprise. Financial performance in excess of this ascertained 'sustainable' level is not then *automatically* seen as 'further success' in that, for instance, to achieve higher short-term financial performance, could have, for instance, jeopardised longer term productivity, introducing then an element of unneeded risk .

***Example, at the farm lifestyle enterprise level: taking too much output from the ground with too little input (eg. fertilisation of the ground) might 'come off' for a year or two, but then yields would deteriorate, reducing profit levels thereon.***

Sustainable levels of yearly profits being a 'foundation' part of the multi-dimensions, in that without an adequate level of financial performance, the enterprise is unlikely to last into the longer-term, implies that if 'excess' profits are made which do not threaten , say, longer-term stability, they might yet be 'discounted' in success measurement terms, on the basis that once the 'foundations' are in place at the required level, attention and priorities then turns to other multi-dimensional aspects – i.e. more 'foundations' becomes less meaningful (as against an enterprise, for instance, geared to the single-dimension of financial success.)

Research showed, for instance that farmer lifestyle enterprisers rated 'profit sufficiency' as key, but once that particular level was attained, priorities and attention turned to other key 'multi-dimension' areas, such as environmental, social, security and personal priorities.

*If the priorities/objectives for the lifestyle enterprise are multi-dimensional, as they often are, then the assessment of that enterprise needs in itself to be multi-dimensional.*

This means that lifestyle situations can often be more complex than those of simpler, single-focused 'conventional' business, (some conventional businesses will too have more than one focus point), requiring then a set of skills and experiences to handle such complexity, usually maybe learn't 'on the job', i.e. by being in multi-dimensional, complex situations, which some might argue might more fully represent life with all its many sides - ?

*'Freerangin'-----*

People who want to take on this complexity, whilst at the same time also take on the self-responsible tasks of working out their own values and dictates, and make their own decisions ('freerangers'), may in a seemingly increasingly 'largist' 'control' culture, need to look at small niche lifestyle enterprises as the way forward, the means to deliver the level of independence and 'freedom' they need to live their lives more fully.

As this piece attempts to portray, they will also, though, still need to employ good thinking and planning procedures to ensure as far as possible that their enterprise can successfully meet their 'freeranger' needs, and continue to do so, then to reap the rewards which the multi-dimensions can offer.

