



# Realising the potential Airport Farm

**STORY Amanda Burling**  
Baker Tilly Staples Rodway Taranaki

A growing poultry and dairy farm business makes use of new technology to manage cash flow.

The owner of Airport Farm, Ed Whiting, isn't one to shy away from technology. His poultry and dairy farms are great examples of his technical innovation. Operationally, he is acutely aware of the advantages of using the latest technologies to help with the success of the business. For example, the chicken sheds on his new poultry farm are computer-controlled, meaning food and water levels can be checked instantly and shed temperatures and humidity automatically set and monitored. The efficiency of his work and the performance of his stock on his dairy farm have also seen substantial gains due to remote monitoring technology.

Having three farms currently in operation, with the third farm being further developed, it is crucial for Ed to utilise technology to ensure they all run smoothly. However, with regards to his finances, he was unaware of the functionality available within his existing cloud-based accounting software (Xero and Figured). Prior to understanding this, Ed was tracking his development expenditure and progress using spreadsheets, not only taking up a lot of his time but opening his business up to potential data inaccuracies and even profit loss.

In getting to where he is now, with multiple revenue streams to manage, Ed was

becoming overwhelmed with the quantity of information he had coming in, and having undertaken a massive capital development project something had to give. He hired an administrator to keep things on track and used Xero to process their day to day transactions and generate the GST returns but they were still not using the software to its full capacity and were barely using Figured at all.

“Probably the hardest mistake in forecasting to eradicate is human error....Microsoft Excel spreadsheets might serve a business in a start-up phase well, but once that organisation experiences growth, the amount of data to account for and the sensitivity of that data grows exponentially. Excel spreadsheets are insecure, easily overwritten or deleted and unsuitable for the needs of small-medium size businesses in 2019.”

**FINANCESONLINE.COM\***

## Benefits of using cloud-based accounting software

In this era of online cloud solutions, it has become easier than ever to manage data in a business. In fact, the ability to plan and react to data in such a volatile economic landscape is crucial to business success. Accounting software such as Figured has been designed to meet the needs of the agricultural industry. It offers multi-farm functionality meaning budgeting can be done on a per farm or consolidated basis and includes production tracking, real-time budgeting and planning, as well as various reporting options. Being a cloud-based system also means that Ed, his Accountants and Bank Manager can remotely collaborate around the same data.

Seeing Ed’s reaction when we explained what we could achieve by utilising the functionality of the system was priceless. All of his issues would be solved without the need to have an Excel Spreadsheet tracking everything in the background. With the correct setup and use of this software, we were able to get accurate real-time information that meant we could easily access and identify how his capital development project was tracking. It also means that our time involved in completing the annual financial statements is a lot less, allowing us to concentrate on providing value to the future of Ed’s business.

Once the accounting software was being used correctly, it became apparent that Ed was going to be short on funding to complete the project. Updated forecast plus actual spend to date reports were now easily accessible and allowed us to accurately see where overspends were, where underbudgeting was, and what the shortfall was going to be. Having this information upfront meant Ed was empowered to make informed decisions about where his business was heading financially.

Having all of this information available meant that obtaining additional funding was relatively straight forward. Using the ‘Scenario’ tool in Figured we were able to show the bank what the future looked like, give a clear indication of when debt repayment was going to occur, and show that the business was still in a healthy financial position at the end of it.

“Now that we have Figured running well, I spend more time looking at where we are at and where we are going. Going forward, this means making financially informed business decisions faster, saving time and headspace. Something I work on all the time is removing ‘junk’ from my brain, e.g. there are hours and hours of unproductive thought wasted on not knowing your financial position, it kills productivity and the ability to work efficiently” Ed states.

Along with Figured, we introduced Ed to Pay Sauce, which is another software system that has made paying his 20-25 employees efficient and straightforward. His employees are now able to enter their time via a mobile app and select which farm they are working on, along with the exact shed (if they are in construction). This is providing accuracy in per farm variance reporting as well as keeping track of costs with the shed build as the construction wages have to be kept separate from the operational wages.

Running all of his farms through one Xero account and utilising the functionality in Figured means that we are able to separate the operations of individual farms to view profitability on a per farm and consolidated basis. It also means that we can track expenses per farm and per chicken shed, making analysis of shed performance and capitalisation of the assets much more efficient.



Ed Whiting of Airport Farm

## Benefits of using a cloud-based document management system

Another important technological advancement for Ed's business has been introducing him to a cloud-based document management system, Hubdoc. Capturing receipts on the go, automatic coding, and auto fetching of documents are just some of the features that have meant Ed no longer requires the use of an administrator. We estimate it has saved him approximately 30 hours per month, which is a saving of \$1300 per month.

Ed continued; "It takes less time to review and enter invoices myself than it does to review invoices that have been entered by someone else. The big win is that it is easy to do on the go, so there is not usually any big haul of invoices to go through every month."

Airport Farm continues to go from strength to strength and is now looking forward to the addition of a Feijoa orchard revenue stream. With the use of Figured, we can use the 'Scenario' tool to see what the future looks like and find answers to questions such as 'what happens if interest rates go up?' Giving Ed a precise look into what could happen in the next 5-10 years gives him peace of mind when growing his business. We will also continue to work with Ed to generate monthly variance reporting and subsequent updating of forecast and management reporting until completion of his development project. Going forward, we will continue with quarterly management reporting to assess debt repayment and profit review.

[amanda.burling@bakertillysr.nz](mailto:amanda.burling@bakertillysr.nz)

\*[financesonline.com/8-common-budget-forecasting-mistakes-fix](https://financesonline.com/8-common-budget-forecasting-mistakes-fix)