

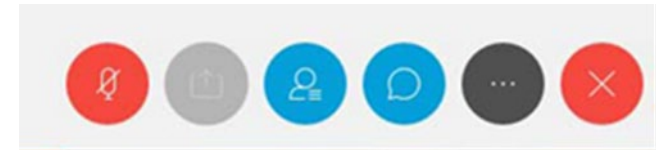
# HOW TO CREATE A BUSINESS PLAN

Amy Rowe & Kelsey Feeg

February 29, 2024

# HOUSEKEEPING

- Attendees will stay muted
- Presentation will be recorded
- Submit questions during the webinar using the Chat panel
  - Send to: Host
  - Try it out: Type your city/state and hit Submit



# Introduction



**Kelsey Feeg**



**Amy Rowe**

# What can you expect to learn?

- How to write a comprehensive business overview
- How to compose details regarding your business management and organization
- Develop your marketing approach
- Document your financials
- Organize and draft a list of business advisors



# How To Write A Comprehensive Business Overview



# BUSINESS OVERVIEW

- Focus on the **WHAT**
  - What is the objective of your business?
  - What products/services will your business offer?

OBJECTIVE



PRODUCTS



SERVICES





# BUSINESS OVERVIEW

## EXAMPLE

**WHAT:** What is the objective of your business? What products/services will your business offer?

Jibber Jabber Ridge (JJR) wishes to serve the community, both the surrounding and agriculture, by offering full line of farm animals for youth to use in leadership development organizations such as 4H and FFA, to help teach the next generation life lessons and develop leadership skills through responsible animal care and husbandry.



# BUSINESS OVERVIEW

- Think about the **HOW**:
  - Describe your business operations. What makes your business unique? (Ex: size of operation, location of operation, expansion plans, etc.)

OPERATIONS



LOCATION



PLANS







# BUSINESS OVERVIEW

## EXAMPLE

**HOW:** Describe your business operations. What makes your business unique? (Ex: size of operation, location of operation, expansion plans, etc.)

JJR operates on a 10 acre farm located in NW PA. It has been owned and operated by Ruta Bega since 2017 and supports 5 species of animals including pigs, dairy goats, poultry and horses with access to both milking dairy projects and dairy beef projects through a partnership with neighboring dairy, Old McDonald Dairy. Located within 40 minutes of 4 county fairs it makes the location ideal to support numerous youth projects for several large towns.



# BUSINESS OVERVIEW

- Reflect on the **WHO**:
  - Who is your target audience? Who will benefit from your products or services?

AUDIENCE



PRODUCTS



SERVICES





# BUSINESS OVERVIEW

## EXAMPLE

**WHO:** Who is your target audience? Who will benefit from your products or services?

Our business structure lends itself to youth aged 8 to 18 and their families who wish to participate in 4H or FFA animal projects but don't have access to our the facilities to house animals. The group members will be chose a project to raise and sell either at the county fair or privately allowing them to participate in the local programs while providing profit sharing with JJR Farm.



# BUSINESS OVERVIEW

- Think about your WHY?
  - Describe the desire and drive behind why you want to pursue this business.
  - What is the mission statement of your business?

MISSION STATEMENT





# BUSINESS OVERVIEW

**WHY:** Describe the desire and drive behind why you want to pursue this business. What is the mission statement of your business?

"To Make the Best Better" - While borrowing this from the national 4H program I have found that this mind set has made the biggest impact on my life and provides me the drive to do better every day whether it be professionally, personally or on the farm. In operating this business in the community, we wish to give back to the programs that established a foundation for our work ethic and drive.



# BUSINESS OVERVIEW

- **If Applying For a Loan:** Clearly state how much money you want, precisely how you plan to use it, and how it will make your business more profitable, thereby ensuring repayment.

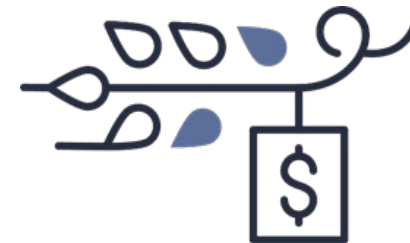
FINANCIAL NEEDS



PLAN OF ACTION



PROFIT





# BUSINESS OVERVIEW

## EXAMPLE

**IF APPLYING FOR A LOAN:** Clearly state how much money you want, precisely how you plan to use it, and how it will make your business more profitable, thereby ensuring repayment.

JJR Farm is requesting a \$60,000 term loan and a \$10,000 operating line to construct a barn, shelters and fencing that will be utilized to house and raise projects and cover operating expenses until animals are sold. A portion of the fencing will be financed by a joint project with NRCS. The housing and fencing system will provide shelter for the animals that will provide for better animal health and rate of gain.



# How to Compose Details Regarding your Business Management and Organization





# BUSINESS MANAGEMENT AND ORGANIZATION

## Business History:

- How long have you been in operation?
- Were there any previous owners?



# BUSINESS MANAGEMENT AND ORGANIZATION

## Organization:

- How is the business organized? (Corporation, partnership, sole proprietorship, etc.)
- Who is involved? Please list their roles and responsibilities and/or titles.



# BUSINESS MANAGEMENT AND ORGANIZATION

## Strengths & Weaknesses:

- Describe the strengths and weaknesses of your business.



# BUSINESS MANAGEMENT AND ORGANIZATION

## Implementation Timeline:

- What is your plan of action?
- What specific tasks need to be completed in order to reach business goals?



# BUSINESS MANAGEMENT AND ORGANIZATION

## Goals:

- Please list your operation's short and long term goals
  - Short-term are 1-3 years
  - Long-term are 3-10 years



# BUSINESS MANAGEMENT AND ORGANIZATION

## Risk Management:

- What risk management practices do you have in place? (Insurance, contingency plan, product or market diversification, etc.)



# How to Develop Your Marketing Approach



# MARKETING

## Industry Outlook:

- What is your target market?
- What are the current industry trends?





# MARKETING

## Income:

- How is your product sold and priced?
- What is your projected/estimated income?



# MARKETING

## Marketing:

- What promotional marketing/communication tools will your business use?



# How to Document your Financials



# FINANCIALS

- Balance Sheet – What you own and what you owe
- Income and Expenses – Used to determine gross and net income and the profit and loss statement



# FINANCIALS

## EXAMPLE

### Balance Sheet

| <b>Assets</b>  |                |
|--|----------------|
| <b>Current Assets:</b> (Others include: Prepaid Expenses & Investment in Growing Crops; Market Livestock; Other Liquid Assets) |                |
| Cash   | \$             |
| Accounts Receivable  | \$             |
| Feed, Seed & Supplies  | \$             |
| Crops for Resale   | \$             |
| Other  | \$             |
| <b>Total Current Assets</b>  | <b>\$ 0.00</b> |
| <b>Noncurrent Assets:</b> (Others include: Retirement Accounts; Other Term Assets)   |                |
| Real Estate  | \$             |
| Equipment  | \$             |
| Vehicles   | \$             |
| Breeding Livestock   | \$             |
| Cooperative Investments (Farm Credit Stock)  | \$             |
| Other  | \$             |
| <b>Total Noncurrent Assets</b>   | <b>\$ 0.00</b> |
| <b>Total Assets (Current Assets + Noncurrent Assets)</b>   | <b>\$ 0.00</b> |



# FINANCIALS

## EXAMPLE

| <b>Liabilities</b>   |               |
|--|---------------|
| <b>Current Liabilities:</b> (Others include: Loans with Terms less than 1 year; Current portion of Term Liability Principal due within next 12 months) |               |
| Accounts Payable   | \$            |
| Accrued Expenses   | \$            |
| Operating Loans  | \$            |
| Other  | \$            |
| <b>Total Current Liabilities</b>   | <b>\$0.00</b> |
| <b>Noncurrent Liabilities:</b> (Balances should be less than the Principal due in the next 12 months that will be shown as Current Liability)          |               |
| Loans (terms greater than 1 year)  | \$            |
| Capital Leases   | \$            |
| <b>Total Noncurrent Liabilities</b>  | <b>\$0.00</b> |
| <b>Total Liabilities: (Current Liabilities + Noncurrent Liabilities)</b>   | <b>\$0.00</b> |
| <b>Owner's Equity or Net Worth: (Total Assets - Total Liabilities)</b>   | <b>\$0.00</b> |
| <b>Total Liabilities and Owner's Equity (must equal Total Assets)</b>  | <b>\$</b>     |



# FINANCIALS

## EXAMPLE

### Income & Expenses

| Farm Revenue        |              |
|---------------------|--------------|
| Crops               |              |
| Livestock           |              |
| Cull Breeding       |              |
| Government Payments |              |
| Custom Work         |              |
| Other Farm Income   |              |
|                     | <b>Total</b> |

| Farm Expenses           |  |
|-------------------------|--|
| Car and Truck           | \$   |
| Chemicals               | \$   |
| Conservation            | \$   |
| Custom Hire             | \$   |
| Depreciation            | \$   |
| Feed                    | \$   |
| Fertilizer              | \$   |
| Freight and Trucking    | \$   |
| Gas, fuel, oil          | \$   |
| Insurance               | \$   |
| Interest                | \$   |
| Labor                   | \$   |
| Rent                    | \$   |
| Repairs, maintenance    | \$   |
| Seed                    | \$   |
| Supplies                | \$   |
| Taxes                   | \$   |
| Utilities               | \$   |
| Vet, breeding, medicine | \$   |
| Other Farm Expenses     | \$   |
|                         | <b>Total Expenses</b> \$                                   |
|                         | <b>Net Farm Income (Total Revenue - Total Expenses)</b> \$ |



# How to Organize and Draft a List of Business Advisors





# BUSINESS ADVISORS

| Type:           | Name: | Organization/Business Name: | Contact Information (Phone/Email): | Notes: |
|-----------------|-------|-----------------------------|------------------------------------|--------|
| Attorney        |       |                             |                                    |        |
| Accountant      |       |                             |                                    |        |
| Lender/Banker   |       |                             |                                    |        |
| Insurance Agent |       |                             |                                    |        |
| Consultants     |       |                             |                                    |        |
| Other           |       |                             |                                    |        |



# Grant Program Promo

The logo features the word "JUMP" in a bold, blue, sans-serif font. To its right, the word "Start" is written in a blue, cursive script font. A green leaf-like graphic element arches over the "Start" text, ending in a small green starburst. To the right of this graphic, the words "GRANT PROGRAM" are written in a bold, blue, sans-serif font.

# JUMP *Start* GRANT PROGRAM

- This grant program was designed to support the growth of the next generation of farmers.
- It awards up to fifteen (15) \$10,000 awards to the top contestants
- To be eligible you must have two years or less of farming experience or be planning to start farming in the next two years. If you are a beginning farmer returning to a family operation, you must be starting a new venture or enterprise to be considered a startup farmer.
- Selection of the winners are based on a completed application, business plan, and the Ag Biz Basics educational course
- Application period will open March 1, 2024.



# **JUMP** *Start* **GRANT PROGRAM**

- Visit <https://www.horizonfc.com/jumpstart> to learn more!

**ANY QUESTIONS**

# THANK YOU!

- Check your email over the next day or so for the webinar replay, presentation and other resources
- For more information regarding beginning farmer resources, check out <https://www.horizonfc.com/growahead>