

The One-Page Business Plan



FARM CREDIT

Knowledge Center

What is a One-Page Business Plan?

A one-page business plan is a summary of business objectives displayed on a single page.



Why is Having a Business Plan Important?

The one-page business plan:

- Is a must for most investors, financial institutions and partners
- Can help you make decisions and eliminate the gray area
 - Can serve as a reality check
 - Can foster new ideas
 - Creates an action plan

Time to Begin Planning

INSTRUCTIONS: One-Page Business Plan

Mission: The mission for your business guides everything that you do. Keep it simple by finding the most core denominator that defines your business.

Objectives: Objectives are general, observable, challenging and untimed directions for your business. They outline what you want the business to look like in the future. Caution! Too many objectives will result in too many priorities to focus on. This may result in too much to do, leading to less effective results. Stay focused on your Mission Statement. Try to establish at least 4 but no more than 8 objectives.

SMART Goals: All goals need to share all of these characteristics: Specific, Measurable, Attainable, Rewarding, and Timed. Work on setting goals for one objective at a time. Each objective will have its own set of goals; however, some goals may contribute to more than one objective.

Action Plans: Every goal must have action plans that explain how that goal will be accomplished. Action plans (or tactics) are precise and individually itemized plans for action. They describe exactly Who, What, When, Where and How activities will take place in order to accomplish a goal.

Action plans detail who will do it, how, where, by when, and how often. Then the key to successful action plans is proper monitoring and comparison to predetermined measurable standards with proper corrective action when necessary.

Plan to Succeed

The One

Mission: The mission for your business guides everything that you do.

Objectives
Objectives are general directions for your business. They outline what you want

Objective 1:

Objective 2:

SMART Goal a):

Action Plan:

- i.
- ii.
- iii.

SMART Goal b):

Action Plan:

- i.
- ii.
- iii.

SMART Goal a):

Action Plan:

- i.
- ii.
- iii.

SMART Goal b):

Action Plan:

- i.
- ii.
- iii.

Action Plans: Every goal must have action plans that explain how that goal will



Keep it simple by finding the lowest common denominator.

Objectives:

the business to look like in the future. Stay focused on your Mission Statement.

Objective 3:

Objective 4:

S—Specific **M**—Measurable **A**—Attainable **R**—Rewarding **T**—Timed

SMART Goal a):

SMART Goal a):

Action Plan:

- i.
- ii.
- iii.

Action Plan:

- i.
- ii.
- iii.

SMART Goal b):

SMART Goal b):

Action Plan:

- i.
- ii.
- iii.

Action Plan:

- i.
- ii.
- iii.

be accomplished. Explain who will do what, where, when, how, and how often.

The 5-Line Income Statement

- 1) Use last year's records as a starting point for your five-line income statement. If you're starting a new operation, plenty of information is available!

Budget resources:

- <http://agalternatives.aers.psu.edu/>
- <https://agecon.uga.edu/extension/budgets.html>

- 2) Calculate your five-line income statement.

COGS = any expense that helps produce one more unit of output.

Production labor and associated payroll expenses, including workman's compensation, unemployment taxes, FICA, Medicare, health insurance, crop or livestock inputs: seed, fertilizer, soils, chemicals, feed

Overhead = any expense that you incur no matter how much production you actually have. The main ones are the "DIRTI" Five:

Depreciation, Interest, Repairs, Taxes, Insurance

Don't forget to include Managers' and Bookkeepers' wages/ salaries, marketing, and utilities.

- 3) Calculate the percent of sales for each line.

Divide the dollars for each line by the total sales.

Historical	Dollars	% of Sales
Sales:	\$	100%
- Cost of Goods Sold:	\$	%
= Gross Margin:	\$	%
- Overhead	\$	%
= Profit (Net Income)	\$	%

The 7-Line Budget

- 1) Create your budget-from the bottom up. Start with your desired draw (the amount you and your family need to take from the operation to live on, plus income taxes). Add the principal portion of any loan payments you need to make during the year to get the total profit needed from the operation.
- 2) Add your overhead expenses to the required profit to figure the gross margin the operation will need to yield. Your overhead expenses shouldn't change much from the previous year, unless you've undergone a significant expansion or other major change.
- 3) Determine the breakeven sales needed in your operation to support the overhead obligations and profit required. Do this by dividing the gross margin (E) by the gross margin as a percent of sales (taken from your records, calculated in step 3 of the 5-Line Income Statement).
- 4) Step back and see if this budget makes sense. Is this sales volume reasonable for this year, especially if it's your first year in business? Is it possible for the acreage you raise and the market prices of your products? If it is, great! Develop a marketing plan (action plan) to achieve that level of sales. If not, that's okay. Rework until you have a plan that is sound. If this is a building year, how will you achieve your goal (and finance the operation in the meantime)? Address these questions early in the year to ensure you have a complete plan.

Budget	Dollars	
Owner Draw Desire (include income taxes):	\$	(A)
Bank principal payments required:	\$	(B)
TOTAL PROFIT REQUIRED: [A+B]	\$	(C)
Overhead expenses:	\$	(D)
GROSS MARGIN REQUIRED: [C+D]	\$	(E)
Divide by Gross Margin percentage: (from income statement chart)	\$	(F)
SALES VOLUME REQUIRED: [E/(F as % of sales-from historical)]	\$	(G)

Business Plan Resources...

<https://newfarmers.usda.gov/make-farm-business-plan> whether you need a good get-started guide, have a plan that you would like to verify, or have a plan you're looking to update for your next growth phase, USDA can help connect you to resources to help you in your decisions.

<https://agecon.uga.edu/extension/budgets.html> Find current commodity budgets of expected costs and returns. Budgets are prepared annually or periodically as needed.

<https://extension.psu.edu/business-and-operations/business-management/ag-alternatives>
The goal of the Agricultural Alternatives series is to help you evaluate all aspects of a given enterprise before you commit your time and money. Whether you are a full-time farmer looking to diversify or a part-time farmer looking to generate additional income from your property, there are many important issues to consider when selecting a new enterprise.



www.FarmCreditKnowledgeCenter.com

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