

AG BIZ PLANNER

Business Planning Frequently Asked Questions

Business planning can feel overwhelming at times and can often leave you with more questions than answers. You are not alone! Having worked with many farming operations just like yours, we have heard the questions and concerns that are common to many. If you still have questions after reviewing this FAQ sheet, please feel free to reach out to us.

Why do we use this business plan template?

We use this particular template because it asks effective in-depth questions which prompts you to think deeply and provide thorough explanations.

What happens after I submit my business plan?

The Knowledge Center and your mentor will have a conference call to discuss your draft plan. We look it over to see if you have covered the topics appropriately and didn't leave any holes. We look for it to be complete and thorough as possible. We may give feedback to you to increase the content in certain sections. You will have a designated period of time to edit and resubmit. The process is set this way so you end up with a plan you can be proud of and work with for your operation.

Can Dr. David Kohl and Dr. Alex White look over my business plan?

Yes! The earlier you get your draft business plan to us the better. Dr. Kohl and Dr. White will review it and provide feedback. Please let us know if you would like your plan reviewed by one or both of them so we can begin the process.

What is the Executive Summary section for?

This section is simply an overview of your business plan. This section may be the last you complete. It should be written as a summary of your entire plan.

Do I have to complete page 10, Key Planning?

Yes! You will want to state exactly what you are assuming may happen to your operation. Assumptions may include, for example; the land you rent will continue to be available or the truck you're using is going to continue to work. This section is important because we need to know what you are assuming throughout your business plan.

Should I talk to my LO or mentor about the financial section?

Yes! We encourage you to discuss this section with your LO or mentor. It is up to you that you are presenting realistic and practical numbers. LO have spreadsheets and they can assist you by running numbers with you.

What is the most difficult part of the business plan?

The last two sections, Risk Management and Exit Plan, are commonly left out. We find these sections are difficult because it makes you think the unthinkable, which can be uncomfortable. You are not alone! We find that once you begin the process, it provides for operational "piece of mind". We also find the Action Plan section is often overlooked or not completed. The action plan is how you are going to take your plan and put it into play. This will require you to sit and really think about how you plan to accomplish your goals. Beginning to think in this manner will benefit your operation greatly and increase communication between business owners.

Metrics for Evaluation section. What is it?

This section is asking you to spell out how you plan to evaluate yourself? It is important for you to know how you are going to evaluate your work. Develop a way to measure your operational changes and goals. Don't forget to state how often will you measure and for how long.

What should I include in the Risk Management Plan section?

State the insurances you have in place; health care, crop insurance, liability, etc. If you don't have these in place, state how you plan to set these up. Are there insurances you looked into and decided you didn't need right now? State those. You can be simple here. Just state what you plan to do to cover these topics.

What is a good Exit Plan?

We understand this can be the most uncomfortable part of plan. If it all goes wrong, what will you do? If you need to exit a part of the enterprise or agreement, how will you do that? It is important for your LO or investors to know you understand how you plan to get out if need be. These sections can be emotionally difficult. But as a business person, you need to complete this section.

Can I use some info that I used on my FSA loan?

Yes! Some information will be similar and that is okay!

How much of the business plan should reflect what we are hoping to do vs. what we are doing right now?

You will need to talk about what you are currently doing in Business Description and History section. What you want to do is part of your projections. Be clear as to what is current and what part of your goal is for the future. LO can help you with projections and if what you are planning is viable. For example: Selling calves once per year vs. twice a year. You will want to present projections for both scenarios.

Loan Officer Advice- If you answer the business plan questions with the homework questions you can complete your business plan as you go through the class. It will not be perfect, but remember, it is a working document. Things will change and that is okay. Reach out to your LO or mentor for assistance and don't let it overwhelm you.