(INSERT BUSINESS NAME HERE)

Business Plan

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Insert business logo here if applicable)

OWNERS:

Business Name

Ownership Type

Street Address

City, State Zip Code

Telephone

E-Mail

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I. EXECUTIVE SUMMARY

*Write this section last!*

*We suggest that you make it two pages or less.*

*Explain the fundamentals of the business: What is your product, who are your customers, who are the owners, and what do you think the future holds for your business and your industry? It should be a concise summary of the rest of the business plan.*

II. BUSINESS DESCRIPTION AND HISTORY

**Vision and Core Values:** *Many companies have a brief vision statement explaining their reason for being and their guiding principles*

**Mission Statement:** *If you have a mission statement, this is an excellent place to put it in the plan, followed by company goals and objectives and business philosophy.*

**Goals and Objectives:** *In this section, list one or two objectives you have for the business. One may be a shorter-term objective, and one may focus on a long-term vision.*

**Short Term Goals**: *(accomplished in 12 months or less) Feel free to use a bullet format.*

**Long Term Goals:** *(accomplished in more than 12 months) Feel free to use a bullet format.*

**Form of Ownership:** *Sole proprietor, partnership, corporation, or limited liability corporation (LLC)?*

**Company History:** *Years in business, previous owners, evolution of production, transitions, etc.*

**Brief Description of Current Business Status:** *What is the current business structure, products produced or grown, contributions to the community, and other pertinent factors to business success.*

III. MANAGEMENT AND PRODUCTION

**Management Structure:** *Who manages the business on a day-to-day basis? What is their experience or what makes them unique?*

**Key Employees:** *List key employees with job titles here.*

**Professional and Advisory Support:** *List the following with contact information:*

* Board of Directors and Management Advisory Board
* Attorney
* Accountant
* Insurance Agent
* Lender
* Consultants
* Mentors and Key Advisors

**Operation:** *Explain the daily operation of the business, its location, equipment, people, processes, and surrounding environment.*

**Products and Services:**

*Describe in depth your products and services. (Technical specifications, drawings, photos, sales brochures, and other bulky items belong in the Appendices.) For farming operations, the type of crop or livestock you raise, genetics, varieties, etc.*

*What factors give you competitive advantages or disadvantages? For example, the level of quality or unique or proprietary features.*

*What is your products and services pricing, fee, or leasing structure? What are your current ways to sell your products?*

**Production:** *How and where do you produce or grow your products or services?**Explain your methods of:*

* Production Techniques and Costs
* Quality Control
* Customer Service
* Inventory Control
* Product Development

**Location:**

*Describe the locations of production, sales, storage areas, and buildings.*

*Do you lease or own your premises? List rental properties and addresses here.*  ***Include rental agreements in the Appendix.***

*Describe access to your buildings (walk-in, parking, freeway, airport, railroad, and shipping).*

*What are your business hours?*

**Legal Environment:**

*Describe the following and list the specific items you have/need to operate legally. Consider including permit numbers and expiration dates:*

* Licensing and Bonding Requirements
* Permits
* Zoning or Building Code Requirements
* Insurance Coverage
* Trademarks, Copyrights, or Patents (pending, existing, or purchased)

**Personnel:**

*Describe the number of employees you currently have and their tenure. Where do you look for new employees, how are employees trained for your operation or business, how do you determine schedules if necessary, and the use of contract employees, if applicable? What is the current pay structure and benefits?*

* ***Specific job descriptions for each employee, including manager/owner***

**Inventory:**

* *What kind of inventory do you keep: raw materials, supplies, finished goods?*
* ***Include specific inventory lists for livestock, equipment and non-consumable supplies***

**Suppliers:** *Consider inserting a Table for this section for better utilization of the information (Under the Insert tab at the top, click on the drop-down arrow under Table, choose the number of rows and columns)*

*Note the following information about your suppliers: consider feed, fertilizer, health supplies, consumables*

* *Their names and addresses*
* *Type and amount of inventory furnished*
* *Credit and delivery policies. If there is a credit account, list acct # or agreement*
* *History and reliability*

**Key Planning Assumptions:**

*What key assumptions or what must stay consistent for you to ensure your planning is successful? (prices received for production, cost of inputs, marketing channels, weather, unforeseen events, etc.)*

IV. MARKETING PLAN

**Market Research:**

* Facts about your industry or commodity
* Total size of your market
* Current demand in the target market
* Growth history
* Trends in target market — growth trends, trends in consumer preferences, and trends in product development
* Growth potential and opportunity for a business of your size

*Conduct a SWOT (Strengths, Weakness, Opportunity and Threat) Analysis for your operation or business and one for your competitors.*

**Customers:**

*Identify your customers, their characteristics, and their geographic locations; that is, demographics.*

*The description will be completely different depending on whether you sell to other businesses or directly to consumers. Suppose you sell a consumer product but sell it through a channel of distributors, wholesalers, and retailers. In that case, you must carefully analyze both the end-user and the intermediary businesses to which you sell.*

*You may have more than one customer group. Identify the most important groups. Then, for each consumer group, construct a demographic profile:*

* *Age*
* *Gender*
* *Location*
* *Income level*
* *Social class/occupation*
* *Education*
* *Other*

*For business customers, the demographic factors might be:*

* *Industry (or portion of an industry)*
* *Location*
* *Size of firm*
* *Quality/technology/price preferences*
* *Other*

**Niche:**

*At this point, you should have a clear picture of where your company fits into the world.*

*In one short paragraph define your niche, your unique corner of the market and how you plan to differentiate.*

**Marketing Strategy:** *Now outline a marketing strategy that is consistent with your niche.*

* **Promotion**: *How do you get the word out to customers?*
* **Advertising**: *What media do you use, why, and how often? Has your advertising been effective? How can you tell?*

**Promotional Budget:** *How much will you spend on the items listed above?*

**Pricing:**

* *What is your pricing strategy? Does your pricing strategy fit with what was revealed in your competitive analysis?*
* *Compare your prices with those of your competition. Are they higher, lower, the same? Why?*
* *What are your payment and customer credit policies?*

**Location (from the customer’s perspective):**

*If customers come to your place of business:*

* *Is it convenient? Parking? Interior spaces? Not out of the way?*
* *Is it consistent with your image?*
* *Is it what customers want and expect?*

*Where is the competition located? Is it better for you to be near them (like car dealers or fast-food restaurants) or distant (like convenience food stores)?*

**Distribution Channels:**

*How do you sell your products or services?*

* *Retail*
* *Direct*
* *Wholesale*
* *Your own sales force*
* *Agents*
* *Independent reps*

**Sales Forecast:**

*Now that you have described your products, services, customers, markets, and marketing plans in detail, it is time to attach some numbers to your plan. Use a forecasting spreadsheet to prepare a month-by-month projection. Base the forecast on your historical sales, the marketing strategies that you have just described, your market research, and industry data, if available.*

|  |  |  |  |
| --- | --- | --- | --- |
| Month/Quarter | Break-Even Sales | Low-End Estimates (easily attainable) | Best Case Estimates |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

Expressed as a formula, breakeven is as follows.

|  |  |
| --- | --- |
|  |  |
| Breakeven sales = | Fixed costs |
| 1- Variable costs |
|  |  |

**V. FINANCIAL HISTORY AND PLAN**

*A solid analysis of the past must precede any serious attempt to forecast the future. The financial plan consists of a 12-month profit and loss projection, a cash-flow projection, a projected balance sheet, and a breakeven calculation.*

**Debt Schedule:**

This table gives in-depth information that the financial statements do not usually provide. Include a debt schedule in the following format for each note payable on your most recent balance sheet.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **To whom payable** | **Original amount** | **Original date** | **Present balance** | **Rate of interest** | **Maturity date** | **Monthly payment** | **Security** | **Current/past due** |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |

**12-Month Profit and Loss Projection (Income Statement):**

*Explain the major assumptions used to estimate company income and expenses. Your sales projection should come from an annual sales forecast.*

**Projected Cash Flow:** *The cash-flow projection is just a forward look at your checking account.*

*For each item, determine when you actually expect to receive cash (for sales) or when you will actually have to write a check (for expense items).*

*Explain your major assumptions, especially those that make the cash flow differ from a profit and loss statement, such as:*

* *If you make a sale in month 1, when do you actually collect the cash?*
* *When you buy inventory or materials, do you pay in advance, upon delivery, or much later?*
* *How will this affect cash flow?*
* *Are some expenses payable in advance?*
* *Are there irregular expenses, equipment purchases, or inventory buildup that should be budgeted?*

*And of course, depreciation does not appear at all because you never write a check for it.*

**Projected Balance Sheet:**

*This is an estimate of what the balance sheet will look like at the end of the 12-month period covered in your projections.*

*In the business plan section related to your projected balance sheet, state the assumptions that you used for all major changes between your last historical balance sheet and the projection.*

**VI. ACTION PLANS**

*Action plans state the specific actions you plan to take in the following year given the plans outlined in the business plan. They include timelines and specific details about who will perform the action and how you will know it has been completed.*

|  |  |  |
| --- | --- | --- |
| Month/Quarter | The task to be completed | Who will complete it |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

**VII. EVALUATION AND EXIT**

*How will the results of the plan be measured? Implementing appropriate evaluations and controls lets business owners and others know that the plan is being executed successfully and that milestones are being met. These controls also ensure accountability and discipline in following the plan. Consider financial as well as production evaluation metrics.*

*Sometimes, the business or operation doesn’t meet expectations. What is the outline of procedures and processes concerning a systematic exit from the business? Specific enterprises or business activities need to be discussed. An overview of buy-sell agreements and contingencies for adverse events needs to be presented.*

**VIII. APPENDICES**

*Include details and studies used in your business plan, for example:*

* *Brochures and advertising materials*
* *Industry studies*
* *Blueprints and plans*
* *Maps and photos of the location*
* *Magazine or other articles*
* *Detailed lists of equipment owned or to be purchased*
* *Copies of leases and contracts*
* *Letters of support from future customers*
* *Any other materials needed to support the assumptions in this plan*
* *Market research studies*