



DEVELOPING YOUR BUSINESS PLAN

w o r k b o o k






A step-by-step guided process

This workbook will guide you through six essential sections of a business plan, laying the foundation for a comprehensive business plan upon completion.

INTRODUCTION

The Farm Credit Knowledge Center's Developing Your Business Plan Workbook was designed to assist in creating a business plan. While it's not a comprehensive plan, it offers a step-by-step approach to help you tackle important sections of a complete business plan. If you're not prepared for the workbook or a full plan just yet, consider starting with the Knowledge Center's [Business Plan Snapshot](#).

The workbook is segmented into sections, each accompanied by keys that offer insights into that particular section. These keys present a typical experience, which could vary based on your individual circumstances.

	A brief overview of the topics in the section.
 TIME	An estimate of the time it may take to complete the tasks within the section.
 STEPS	The number of steps to complete within the section.
 PREP	The level of prep time it may take in order to complete the section. ●○○ Quick: No prep necessary or very little time to prepare, usually under 15 minutes. ●●○ Moderate: Prep time is moderate, typically between 15-30 minutes. ●●● Extended: A longer prep time may be needed, generally over 30 minutes..
	Additional resources available to provide further information or tools that could be beneficial to you.

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SECTION 1

BUSINESS OVERVIEW

i In this section you want to include your business mission, objectives and goals, form of ownership, products and services offered.



TIME

1-2 Hours



STEPS

4



PREP

Moderate

step 1 **Business Mission-** Think about your why. You want to keep this simple, but should incorporate your general idea and direction of the business. What is the mission of your business?

step 2 **Objectives and Goals-** What makes your business unique? Do you have a niche? Here you want to describe your business, and how you plan to carry out your mission.



SMART Goals and Simplifying Record Keeping

Short Term Goals- these are goals that can be achieved in 12 months or less. Briefly describe your goal(s) and how you plan to accomplish it.

Long Term Goals- these are goal(s) that will take 12+ months to complete. Briefly describe your goals and how you plan to accomplish it.

step 3 **Form of Ownership-** This is where you will list how your business is organized. Is your business sole proprietor, partnership, LLC, corporation?



Understanding the Different Types of Business Organizations

step 4 **Business Description-** Here you want to focus on what products/services you offer. A brief business history and ownership can be included. You can also include things such as length of operation, operation size and location.

SECTION 2 BUSINESS ORGANIZATION & MANAGEMENT

i In this section, you want to include the organization of your business, strengths and weaknesses and risk management practices.



TIME
1-2 Hours



STEPS
3



PREP
Moderate

step 1 **Organization-** Who is involved in the daily operations? You should list their job title, brief job description/ responsibilities.

step 2 **Strengths and Weaknesses-** Identify and describe the strengths and weaknesses of your business.



[SWOT Analysis](#)

step 3 **Risk Management-** What practices to mitigate risks do you have in place? Think about insurance, product/market diversification, wills, contracts, cost of production records, etc.



[Crop Insurance Overview](#)



[Risk Management Checklist - USDA](#)

SECTION 3 MARKETING

i In this section, you want to include your audience, marketing strategies and pricing structure.



TIME

1 Hour



STEPS

3



PREP

Quick

step 1 **Audience-** Who is your target audience and customer base? Will you sell to other business or directly to consumers? How does your plan align with current industry trends?

step 2 **Marketing Strategies-** How do you plan to promote and advertise your products/services? How do you plan to differentiate your business?

step 3 **Pricing-** What is your pricing strategy? How is your product sold and priced? How will you remain competitive? Do you have payment and customer credit policies?

SECTION 4

BUSINESS SUPPORT



In this section, you want to include your professional and advisory support and their contact information.



TIME

1 Hour



STEPS

1



PREP

Quick

step
1

Business Advisors- You want to include professional and mentors for your business. Individuals to consider include loan officer, attorney, accountant, insurance agent, consultants, mentors and key advisors etc. If you have a board of directors or management advisory board these should be included too.

SECTION 5

FINANCIAL INFORMATION

i In this section, you want to provide general financial information including a balance sheet, income, expenses, assets and liabilities.



TIME
3-4 Hours



STEPS
2



PREP
Extended

step
1

Income & Expenses- Here you want to report your income (revenue) and expenses. This will be used to determine your business gross and net income along with the profit and loss statements.

Income- livestock, crops, custom work, other farm income etc.

Expenses- Feed, labor, chemicals, seed, supplies, repairs and maintenance, utilities, insurance, interest fuel etc.



[Farm Credit Record Book](#)



[Record Keeping with Accrual and Enterprise Accounting](#)

step
2

Balance Sheet- This is where you record what you own and what you owe.

Assets- Cash, accounts receivable, investments, land and improvements, equipment, vehicles, buildings, real estate, breeding livestock etc.

Liabilities- Accounts payable, operating loans, payroll/wages, taxes etc.



[Filling Out a Balance Sheet](#)

SECTION 6 EVALUATION

i In this section, you want to provide details on how you will evaluate your business.



TIME
1-2 Hours



STEPS
2



PREP
Moderate

step
1

Business Evaluation- List how you will evaluate your business. How often will you evaluate? Consider financial and production evaluation methods.



[Agribusiness Analysis](#)

step
2

Contingency Plan- If it doesn't go in the direction that you had hoped, what is the back up plan? Will you get rid of your assets associated with that portion of the business? Will you revise and revamp your target market?



BUSINESS PLAN DEVELOPMENT

Now that you have completed six crucial sections, you are ready to develop a full business plan. There are many templates available, and your accountant, attorney, or loan officer can help you find the template that works best for your farming operation.

Once you have chosen a full business plan template, transfer the contents of this workbook into it. You may need to expand and further develop certain sections, but you will find that you have completed the majority of the work!



[Do I Need a Business Plan To Get a Loan?](#)



[Writing a Business Plan](#)



[Ag Business Courses*](#)

*AgBiz Basics and AgBiz Planner courses are accessible to individuals residing in the Farm Credit of the Virginias service area. If you are located outside this area, we recommend contacting your [local Farm Credit office](#) to explore agricultural planning course options.