Farm Business Planning is Planning for Success

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Why Plan?

- Define business goals & objectives
- Evaluate current strategies
- Plan for future
- Support loan application
Executive Summary

• Overall summary of operation and goals
• Appears first but written last
Mission & Goals

• Mission Statement – glimpse of the future
  • Why does business exist
  • What purpose does business serve
  • Where is business headed
  • What are the business SMART goals
Business Information

- Name & contact info
- Business structure
  - Production Situation
  - BMP’s
- Strategic partners & role
- History and current status (brief)
- Legal & contractual obligations
- Insurance & succession plans
Planning

• Market research
  • Identify: Trends, Competitors, Buyers, Needs

• SWOT – internal and external
  • S & W focus on internal – financial, HR, infrastructure, land
  • O & T focus on external – competitors, markets, technology, economics

Combine SWOT for Plan of Action(s) – differentiation or least cost
Marketing Strategy

- Planning for commodities, services and/or attractions
- Key tool for profitability and viability
- Identify Target Market
- Consider all 4 P’s
- Develop a Budget for each enterprise separately

THE MARKETING MIX

- **PRODUCT**
  - function
  - packaging
  - services

- **PRICE**
  - cost
  - discounts
  - margin

- **PROMOTION**
  - advertising
  - sales
  - publicity

- **PLACE**
  - distribution
  - logistics
  - channel
Financial Plan

- Financial statements – current if available and/or projected
  - Balance Sheet (Net Worth)
    - Assets – Liabilities = Owner’s Equity
  - Cash Flow (Liquidity)
    - Inflows/outflows, projected/actual
  - Income Statement (Profitability)
    - Income, expenses, inventory change, depreciation

- Inventories
  - Resources (cash, labor, equipment, land, structures, livestock, technology)
  - Inputs
  - Product
Implementing Your Plan

- Develop timeline
- Define division of duties and responsibilities
- Determine labor & skills development
- Decide accounting & recordkeeping methods
- Don’t forget to go back and complete the Executive Summary

A correctly devised business plan is often said to be “The right thing to do,” while the implementation of the plan is considered “Doing things right.”
Thank you

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