

# “Farm Business Planning & Budgeting”

## Part 1: Business Planning

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THE  
UNIVERSITY  
OF RHODE ISLAND  
COOPERATIVE  
EXTENSION

**UConn**  
COLLEGE OF AGRICULTURE,  
HEALTH AND NATURAL  
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EXTENSION





- No-cost, confidential business counseling and assistance (full-time and part-time staff)
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- Startups and existing businesses
- Various issues/topics: start-up, funding and financing, (digital) marketing, HR, cash flow/financial management, business planning/financial projections, etc

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THE  
UNIVERSITY  
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DIVISION OF RESEARCH  
AND ECONOMIC  
DEVELOPMENT



# Agenda

- Framing
- Tool 1: Business Model Canvas
- Tool 2: One-Page Business Plan

# FRAMING

- Business planning is about:
  - Doing your homework/knowing your stuff
  - Getting FOCUS
    - Financial, Operational, Customer, US (team)
  - Guiding action
- Notes about (business planning) tools:
  - Only as good as they're useful
  - What doesn't work, adapt it or forget it
  - Translate jargon or ditch it

# BUSINESS MODEL CANVAS

# Business Model Canvas

What's a business model?

A business model is the way a business creates, delivers, and captures value.

# Business Model Canvas

And without the jargon, please...

- Production/Operations (creating value)
- Sales & Marketing (delivering value)
- Financials (capturing value)
- Remember – FOCUS












Designed for:

Designed by:

Date:

Version:

# Business Model Canvas

<b>Key Partners</b> 	<b>Key Activities</b> 	<b>Value Propositions</b> 	<b>Customer Relationships</b> 	<b>Customer Segments</b> 
	<b>Key Resources</b> 		<b>Channels</b> 	
<b>Cost Structure</b> 			<b>Revenue Streams</b> 	

Designed for:

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# Business Model Canvas

Key Partners



Key Activities



Value Propositions



Customer Relationships



Customer Segments



**PRODUCTION/  
OPERATIONS**

Key Resources



Channels



**SALES &  
MARKETING**

Cost Structure



Revenue Streams



**FINANCIALS**

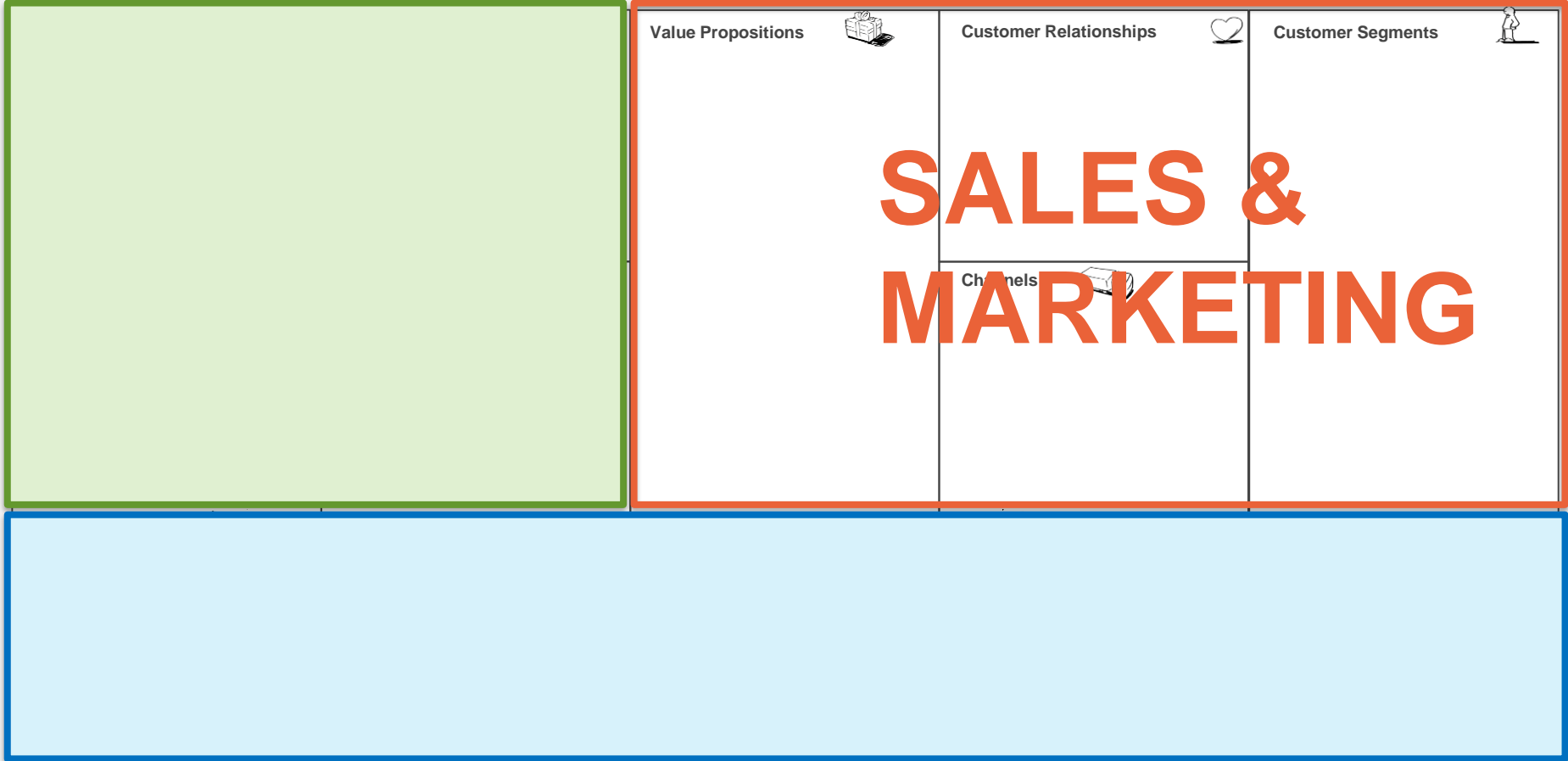
# Business Model Canvas

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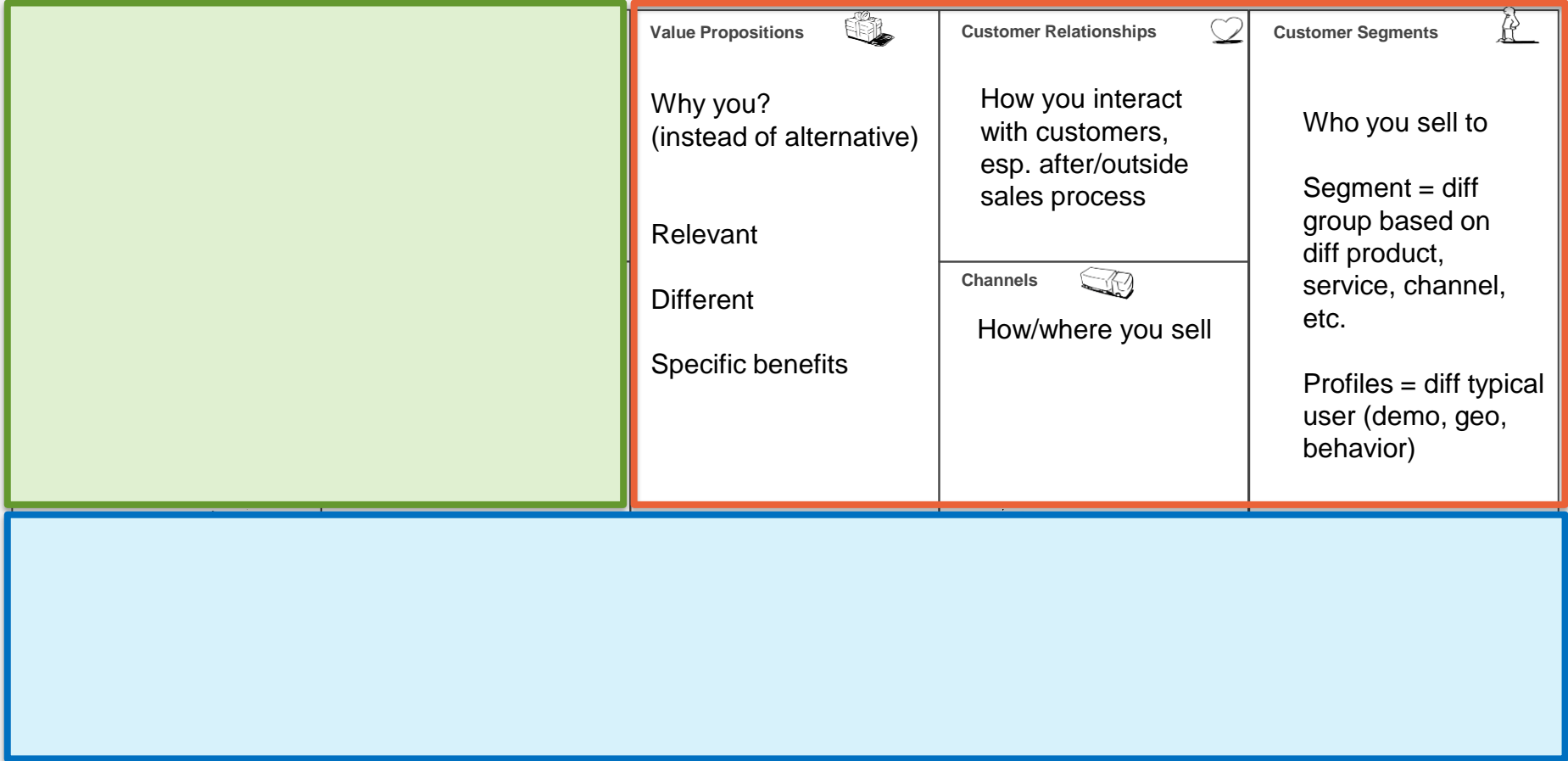
Designed by:

Date:

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# Business Model Canvas



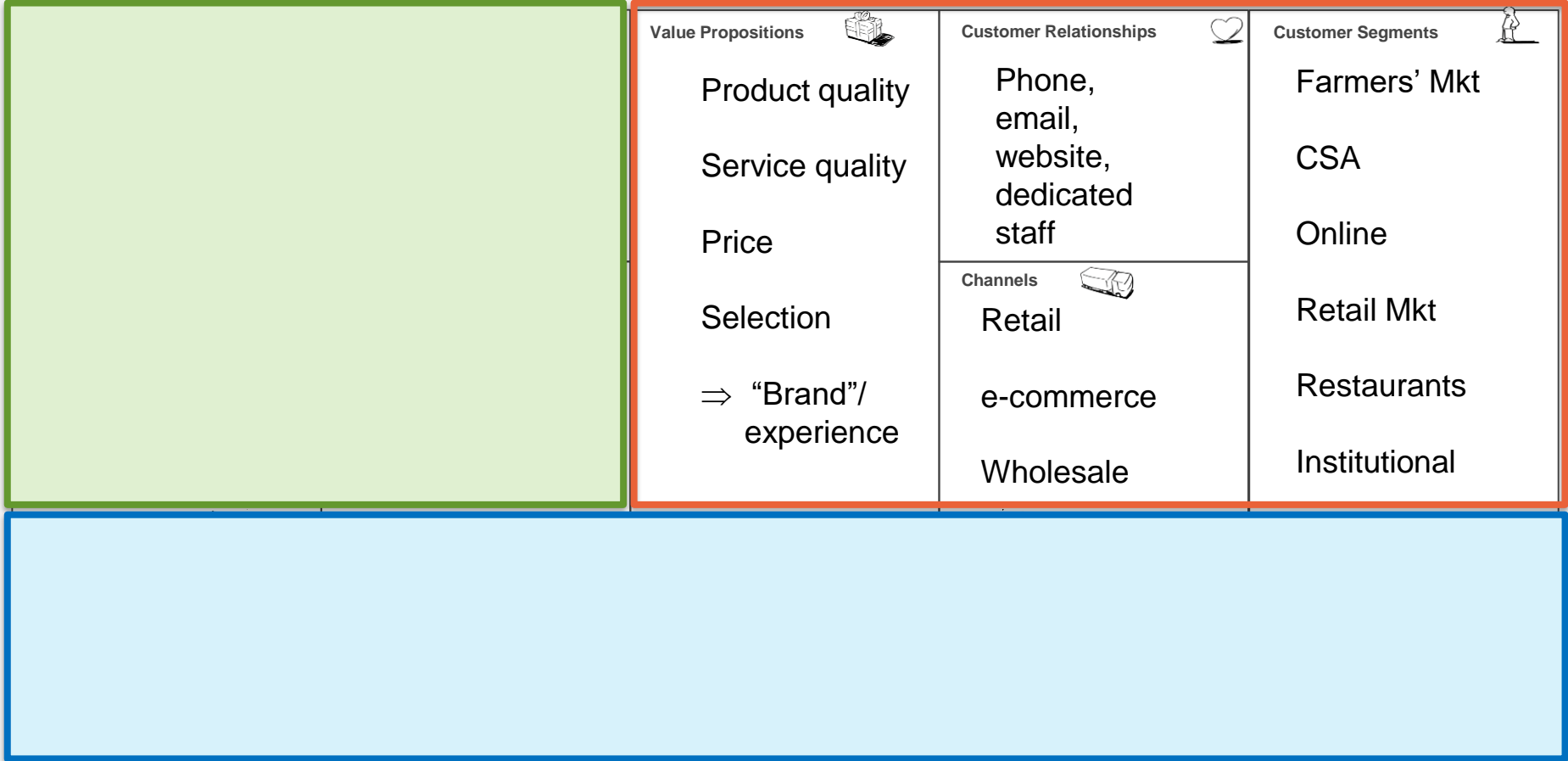
# Business Model Canvas

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Version:



# QUESTIONS & COMMENTS

Designed for:

Designed by:

Date:

Version:

# Business Model Canvas

Key Partners



Key Activities

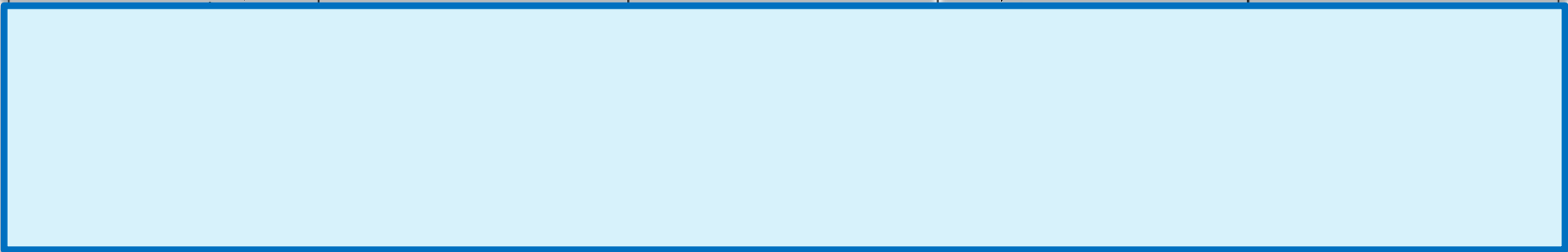


Value Propositions



# PRODUCTION/ OPERATIONS

Key Resources



# Business Model Canvas

## Key Partners



Who can help you add more value, create better product, reach more and better customers, complement your offerings, etc.?

## Key Activities



What do you need **to do** to deliver value to customers consistently?

## Key Resources

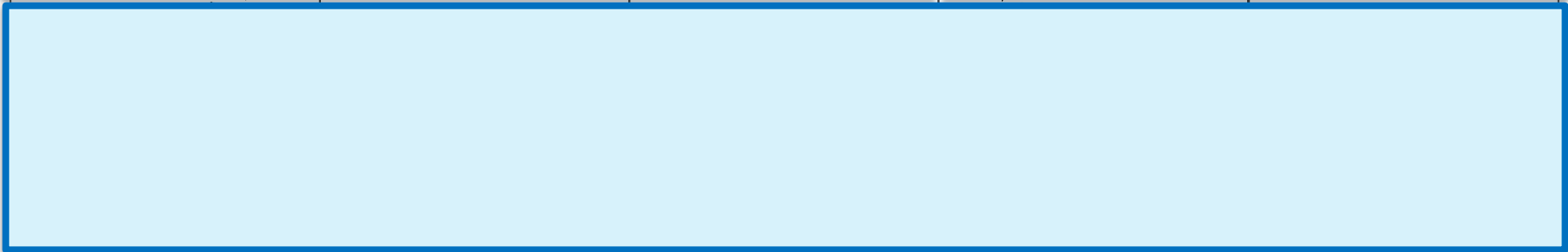


What **assets** do you need to deliver value to customers consistently?

## Value Propositions



How does what you do in your operations actually deliver what customers want?





# Business Model Canvas

Key Partners



Vendors/suppliers

Farmers' Mkts

Cooperative

Land trust

Etc.

Key Activities



Marketing

Production

Financial

Key Resources



Land

Labor

Capital

Value Propositions

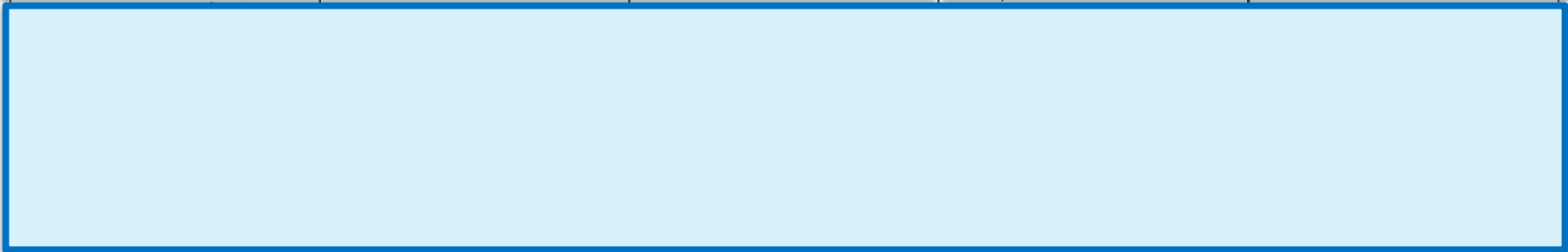


Product quality

Service quality

Price

Selection

⇒ "Brand"/  
experience

# QUESTIONS & COMMENTS

# Business Model Canvas

Designed for:

Designed by:

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Version:



Cost Structure



Revenue Streams



# FINANCIALS

# Business Model Canvas

Designed for:

Designed by:

Date:

Version:



Cost Structure



What are the different types of costs associated with your operations?

Revenue Streams



How do you make money? How often? Etc.

Designed for:

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Version:

# Business Model Canvas



## Cost Structure



Land, labor, capital  
Rent/lease vs buy  
One time vs recurring  
COGS vs overhead expenses (and breakeven)

## Revenue Streams



Fee for product  
Fee for service  
Shares  
Subscription, etc.

Add-Ons/Bundles  
Agro-Tourism  
Side Contracts  
Co-Branded Products

# Key Takeaways

## from the

# Business Model Canvas

- You have choices to make in each area of your business model.
  - What will you focus on?
- Those choices have impacts on every other aspect of your business.
  - How will you manage that?
- Sustained success means doing well in ALL areas: production, marketing, and financial.
  - How well are you tending to each of these?
- You can use the BMC as a tool to map your current business and future opportunities?
  - What would have the most impact on your business to improve?

# Business Model Canvas

Key Partners



Key Activities



Value Propositions



Customer Relationships



Customer Segments



# PRODUCTION/ OPERATIONS

Key Resources



# SALES & MARKETING

Channels



Cost Structure

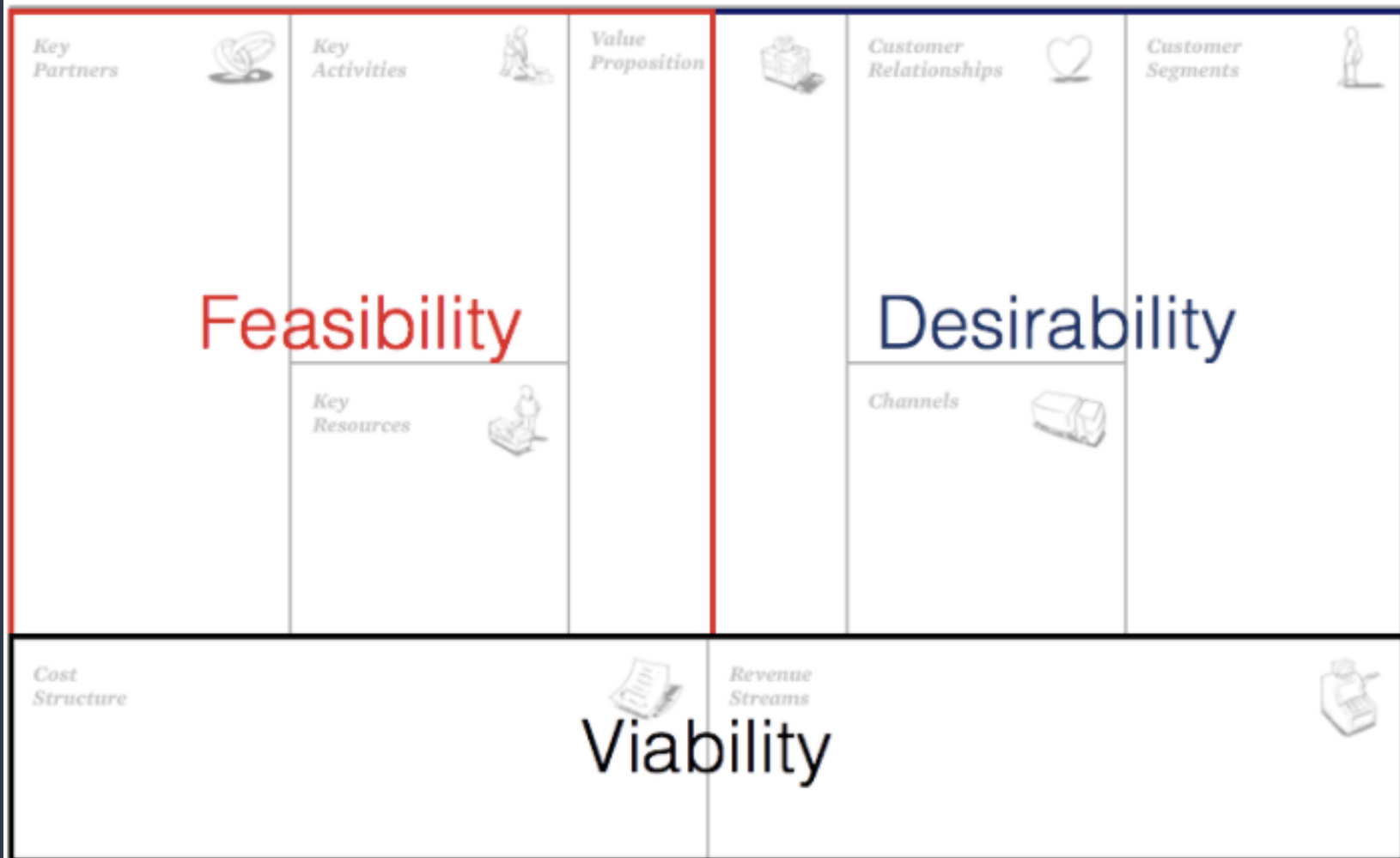


Revenue Streams



# FINANCIALS

# The Business Model Canvas





# QUESTIONS & COMMENTS

# ONE-PAGE BUSINESS PLAN

# Plan to Succeed

**Mission:** The mission for your business guides everything that you do. Keep it simple by finding the lowest common denominator.

## Objectives:

Objectives are general directions for your business. They outline what you want the business to look like in the future. Stay focused on your Mission Statement.

Objective 1:

Objective 2:

Objective 3:

Objective 4:

**SMART Goals:** Remember, a goal without a deadline is just a dream! **S** — Specific **M** — Measurable **A** — Attainable **R** — Rewarding **T** — Timed

SMART Goal a):

SMART Goal a):

SMART Goal a):

SMART Goal a):

Action Plan:

i.

Action Plan:

i.

Action Plan:

i.

ii.

iii.

Action Plan:

i.

ii.

SMART Goal b):

SMART Goal b):

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**Action Plans:** Every goal must have action plans that explain how that goal will be accomplished. Explain who will do what, where, when, how, and how often.

# Plan to Succeed

The One Page Business Plan  FARM CREDIT

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# QUESTIONS & COMMENTS

# Thank You!

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Key Partnerships



Key Activities



Value Propositions



Customer Relationships



Customer Segments



Key Resources



Channels



Cost Structure



Revenue Streams



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