

# Module #1

## The Business Planning Process



### **COURSE OVERVIEW**

Business Planning is designed to be a 60 – 75 minute presentation that introduces the topic of Business Planning within the agricultural and food context. It borrows from the foundational elements of planning any enterprise where sustainability through profitability and sound business practices are a necessity.

Participants will be introduced to the key concepts of the Business Planning process in logical order. Activities are provided for highly interactive facilitated discussion and for immediate application of theory to their specific business situations.

### **LEARNING OBJECTIVES**

By the end of this module, participants will be able to:

- Determine the requirements for a complete Business Plan
- Organize information regarding developing a Business Plan
- Create a Business Plan appropriate for their Food Business

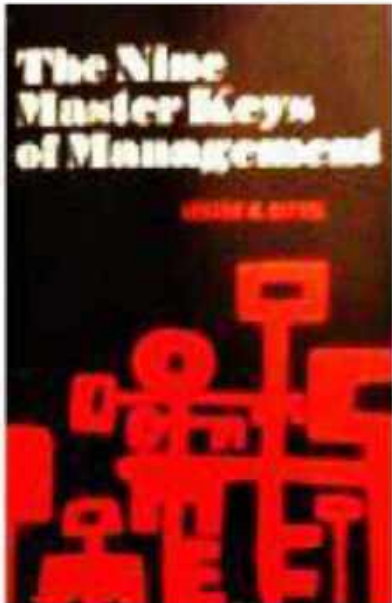
# Session Outline

- Introduction To The Planning Process
- The Planning Pyramid
- Vision & Mission Statements
- Setting Goals
- Crafting Strategies
- Your Business Model
- Your People & Implementation
- Writing Your Business Plan
- Your Marketing Plan
- Your Production Plan
- Your Financial Plan
- Your Finished Business Plan

# The Importance of **PLANNING**



# ***“Making Dreams Come True”***



***“Good plans shape good decisions.  
That’s why planning helps to make  
elusive dreams come true.”***

- Lester R. Bittel, *The Nine Master Keys of Management*

# Strategic Planning Pyramid



**Mission  
and  
Vision**

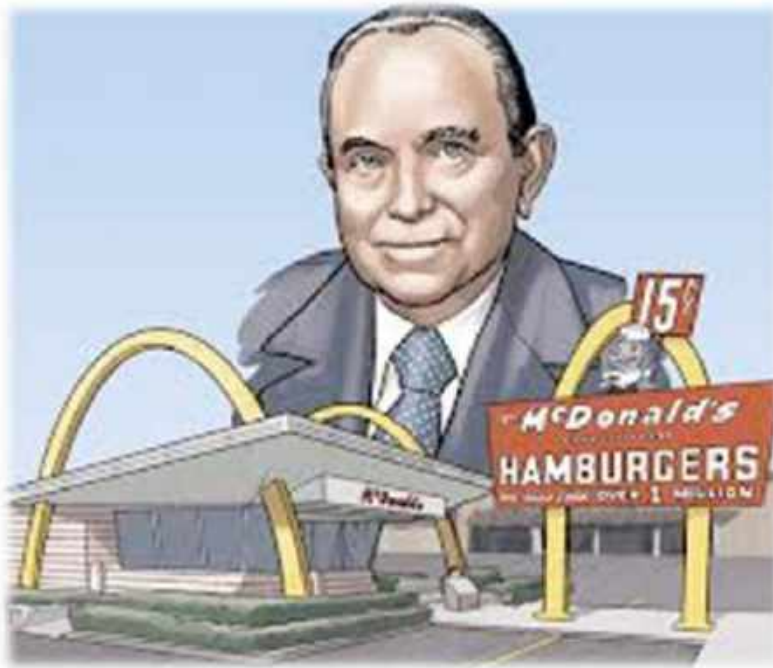
**Setting  
Objectives**

**Creating  
Strategies**

**Tactics & Action  
Plans**



# Vision and Mission



# **An Effective Vision Statement**

- Clear & Focused
- Flexible
- Compelling
- Easy to Communicate

# Your Mission Statement

- What we do TODAY
- Who we are
- What we do
- WHY we are here



# Mission Statements

*"To help people live healthy lives."*

- Beckton, Dickinson, Bio Medical Company



*"To nourish and delight, everyone we serve."*

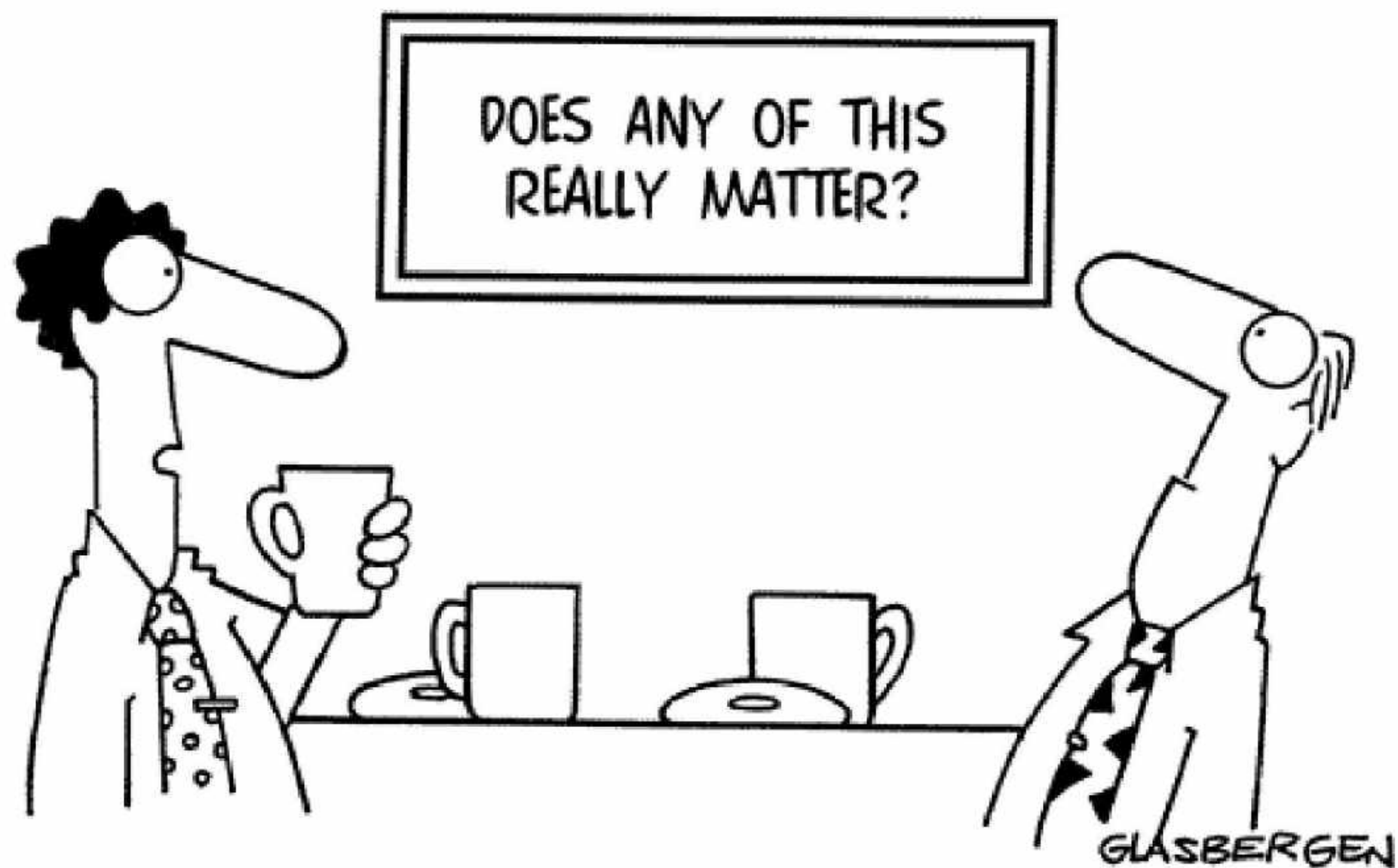
- Darden Restaurant Group



# BIG AL'S RADIATOR SHOP

**“We’re A Good Place  
To Take a Leak !”**





**“Never choose a mission statement on a dark, rainy day.”**

# SETTING GOALS

- **Measurable**
- **Time Lines**
- **Accountability**
- **Stretch Objectives (BHAGs)**



**“YOU MANAGE WHAT YOU MEASURE”**

# BHAGs



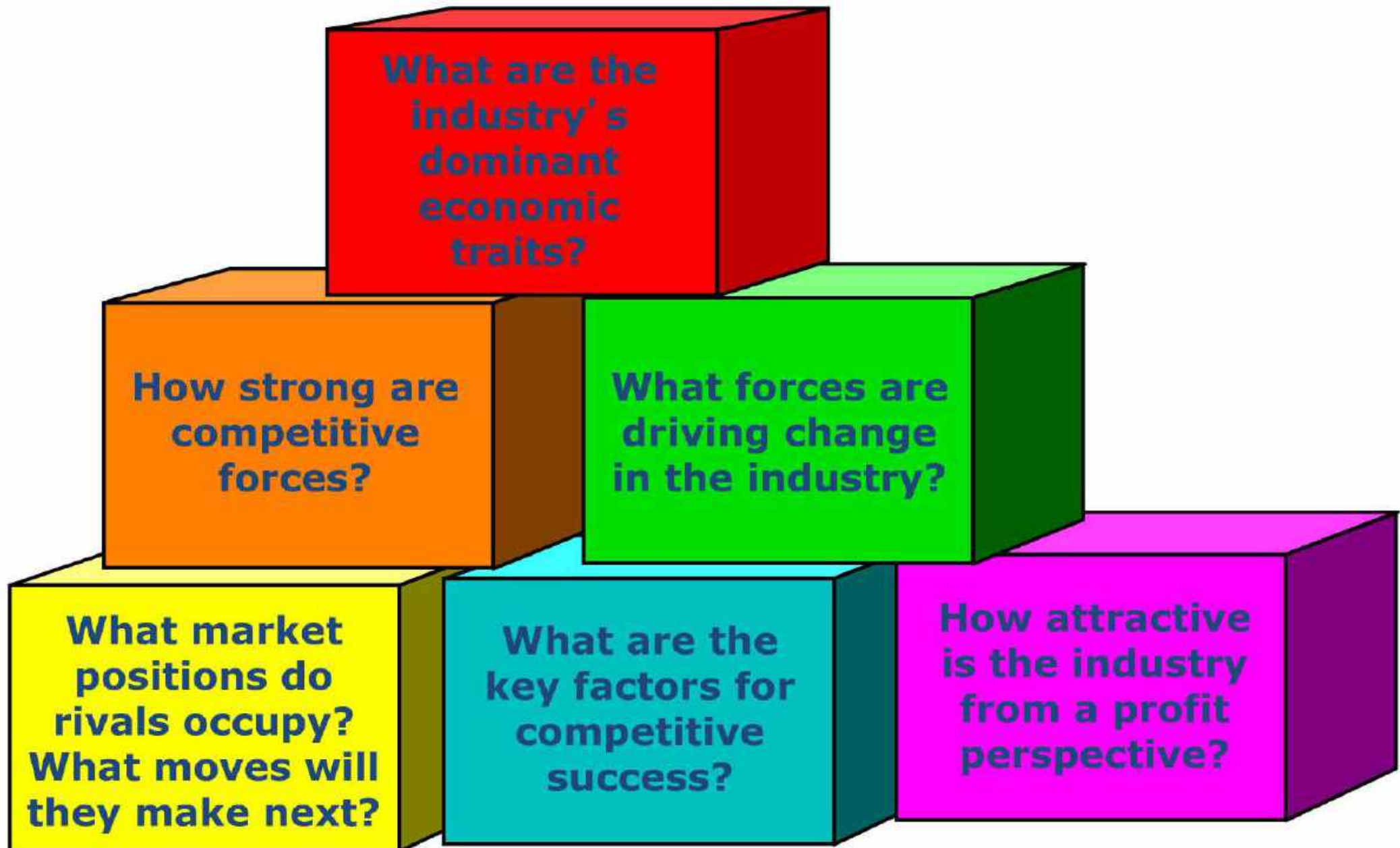


# **Crafting Strategy**

## **ASSESS THE ENVIRONMENT**

- External Environment
- Internal Environment

# Key Questions Regarding the External Environment



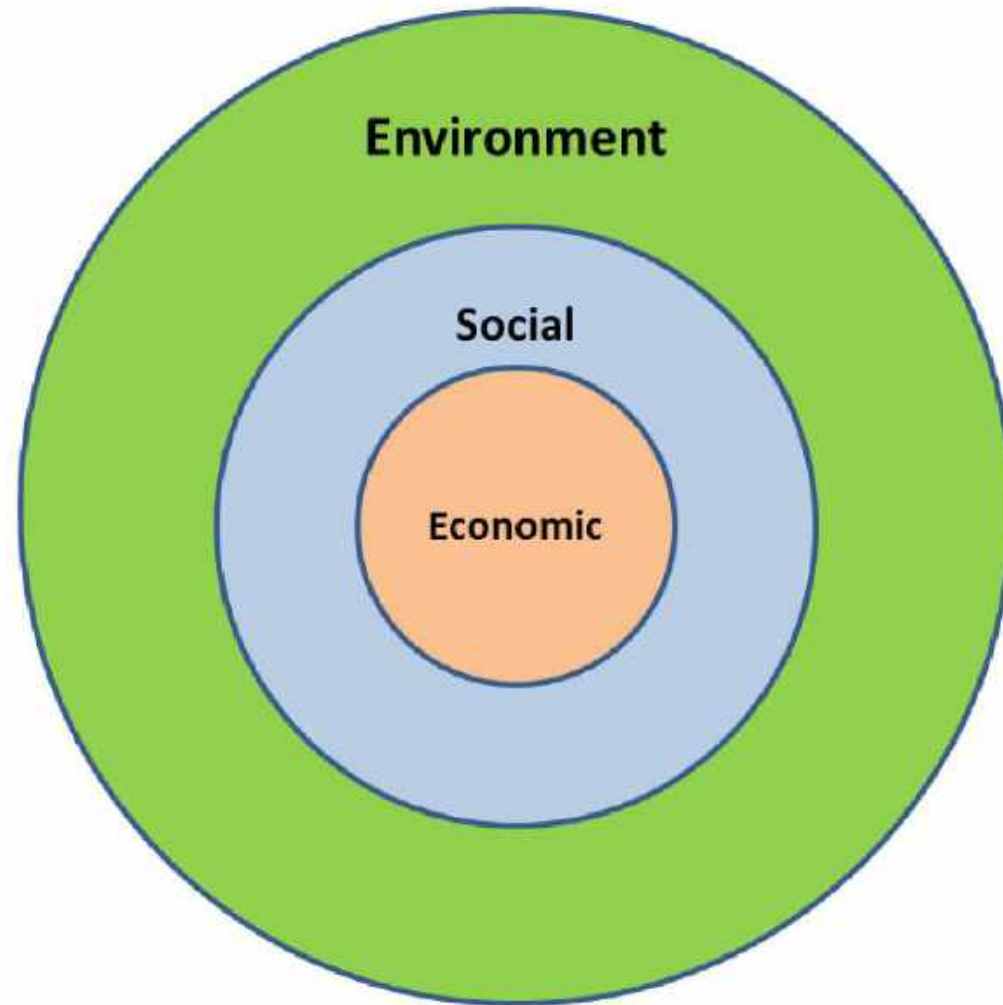
# What is Effecting **CHANGE** in Your Industry?

- Internet & Technological Change
- Globalization
- Consumer Shifts in Preferences
- Product Innovation
- Marketing Innovation (e.g. On-line)
- Entry/Exit of Major Firms
- Changes in Cost Efficiency
- Regulatory Changes



# **Crafting Strategy**

## **THE TRIPLE BOTTOM LINE**



# SWOT ANALYSIS MODEL

## Internal Organization Analysis

### Controllable Factors

Relates to organizational strengths and weaknesses that the organization has the decision-making ***power to change if it chooses***

**S**

**Organizational  
Strengths**

**W**

**Organizational  
Weaknesses**

## External Ecosystem Analysis

### Uncontrollable Factors

Relates to external factors over which the organization has no decision-making power. An organization ***cannot change*** external factors

**O**

**External Factors:  
Opportunities**

**T**

**External Factors:  
Threats**



# What Is Your Business Model?



# Implementation



***The MAGIC !***

# **TEAM BUILDING and LEADERSHIP**

**Get the Right People on your Bus!**





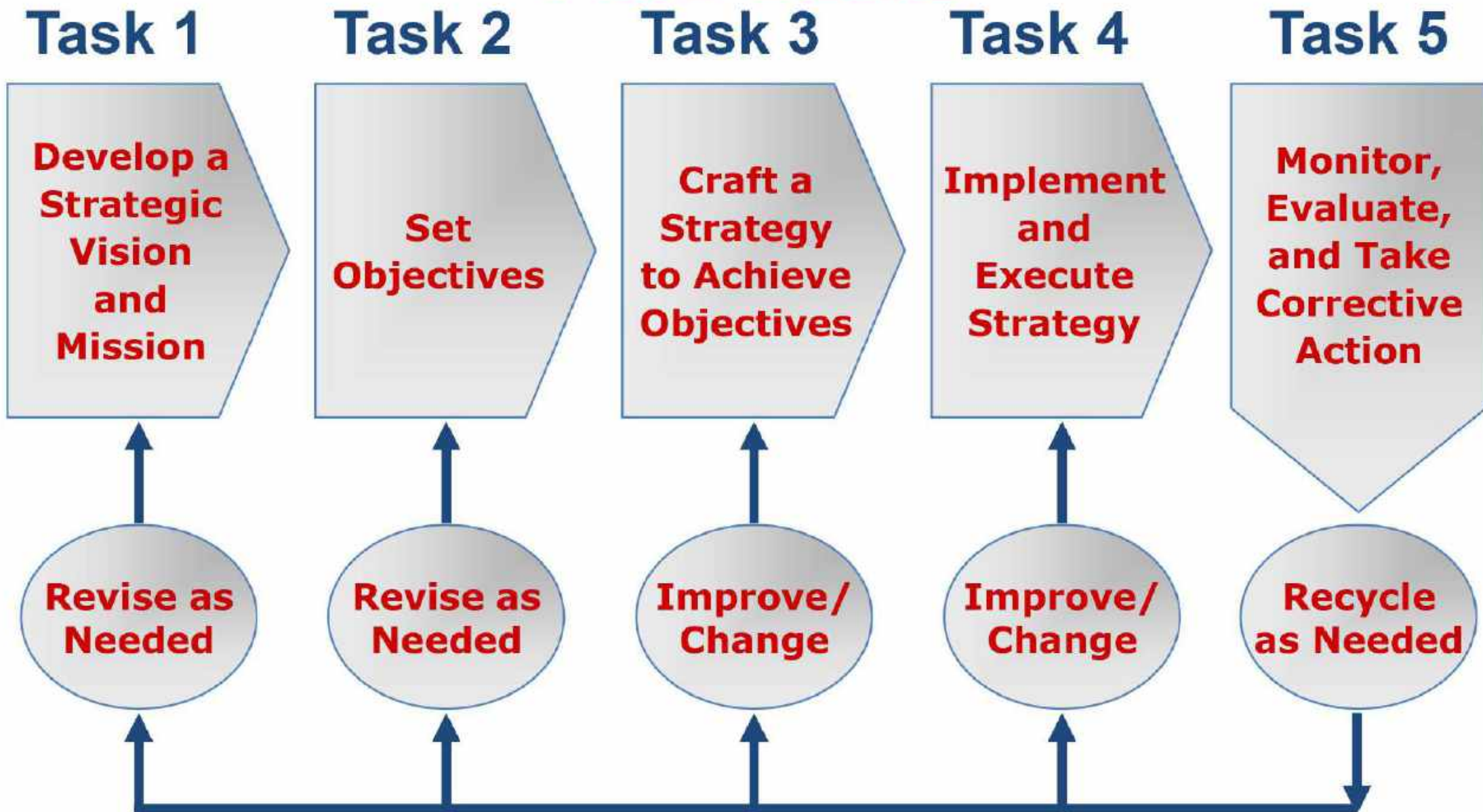
# Stay in ***ACTION*** Toward Your **INTENTIONS**



*Only One Strategy For 30 Years*

**“Be The Lowest Cost Steel Provider”**

# STRATEGIC PLANNING PROCESS





# **THE BUSINESS PLAN**



***YOUR ROAD MAP***

***COMMUNICATES TO  
INVESTORS***



# TABLE OF CONTENTS

- Introduction
- Executive Summary
- Personnel & Advisors
- Strategic Planning
  - Mission/ Vision
  - Goals
  - Industry Analysis
  - Human Resources Plan
  - Production Plan
  - Marketing Plan
  - Competitive Analysis
  - Implementation
  - Risk Assessment
- The Financial Plan

# YOUR HUMAN RESOURCES PLAN

- Name the Key people operating your business
- Describe their track record and accomplishments
- Explain how key areas will be handled and by whom
- Providing an organizational chart may be useful
- Indicate any weaknesses in your management team and your strategy to overcome them
- Describe your compensation plan for key staff
- Describe your board of directors & professional advisors



# YOUR PRODUCTION PLAN

- How is the product manufactured or how will the service be provided?
- Where will the supplies and material be purchased?
- How is your product packaged, warehoused and shipped?
- What after-sales service is required (repairs, warranties)?
- What land, buildings, facilities and equipment are required?
- How will you access skilled labour if required?
- How does your business location serve your needs?
- What is the Breakeven Volume?
- What is the production capacity?

# YOUR MARKETING PLAN

## Describe

- the industry in which you operate
- your strategy to penetrate or develop the target market
- your expected sales quotas
- your target market demographic
- your sales promotion plan
- your product's competitive advantage or the particular niche it fills in the marketplace
- the decision-making process for determining product and service pricing based on costs, competition, or what the market will bear



# **YOUR FINANCIAL PLAN**

- Financial Assumptions
- Capital Requirements Summary
- 3 -5 Yr. Profit and Loss Projections
- Balance Sheet Projections
- Cash Flow Summary
- Financing Schedule

# GIVING YOUR PLAN THE RIGHT LOOK

- Single-sided, double-spaced
- White, 8.5" x 11" paper
- 30 – 40 pages maximum + Financials
- Colour Charts, Pictures, Sketches
- Table of Contents with page references
- Supplemental information in Addendum
- **NO TYPOS**