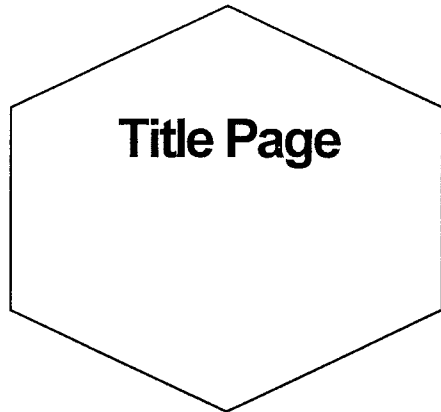


COMPONENTS OF A BUSINESS PLAN

A complete business plan will include the components shown in the diagram below. Although each component should be considered, the amount of detail and depth in each will depend on the importance to your business plan.

Your business plan may look different from the examples used in this book. You should emphasize those sections which best reflect the nature of your business.





The **Title Page** helps your business plan look professional. Remember that first impressions are very important, especially to readers, such as bankers, who see many plans.

As the example on the right shows, you should include:

- ♦ your farm name
- ♦ address
- ♦ telephone/FAX number
- ♦ the period the plan covers
- ♦ the person to contact
- ♦ the date your plan was prepared

**Title Page
Example**

BUSINESS PLAN

1995 - 1999

to

Operate

GOLDEN GLOW FARMS

a 500 hive Beekeeping Operation

Prepared by:

Bill and Lila Washington

Date:

December 31, 1994

Address:

Box 10808
Quesnel, British Columbia, V2J 2C1

Telephone/Fax:

(604) 999-4444

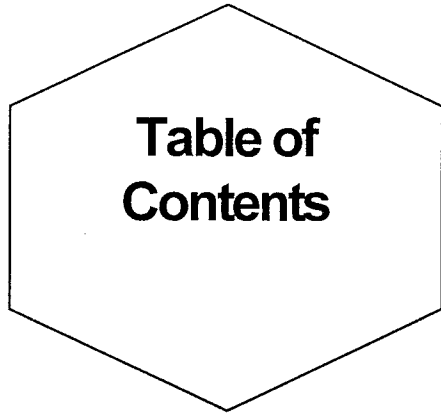


Table of Contents

The **Table of Contents** outlines the topics covered by the plan. It allows readers to jump immediately to those sections which are of most interest.

Remember that people who may read your plan, such as perspective lenders, are busy people. The table of contents is a roadmap of where they can find more detail on each topic.

Table of Contents

Example

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Business Profile and Summary

The **Business Profile and Summary** should attract the reader's interest, outlining the basics of your plan and encouraging him or her to read the remainder of the plan.

The reader should also know from the summary where and how he or she fits into your plan, e.g. if the plan is targeted to a lender, the summary should indicate how much money you want, what for, what your security is and how you intend to pay him or her back.

Items that you might include in the Business Profile and Summary:

- ♦ purpose of the plan
- ♦ business goals
- ♦ business activities and targets
- ♦ financing needs or other input required from outsiders
- ♦ financial and physical resources available

This section is usually easiest to prepare after the plan is completed.

Business Profile and Summary Example

Purpose of the plan

To provide a five year operating plan for an existing 500 hive beekeeping business focussing on

- ♦ maintaining honey production
- ♦ diversifying into other hive products (pollen, beestock)
- ♦ reducing debt and building equity in the farm and
- ♦ building off-farm investments.

Business Highlights

- ♦ 500 hive beekeeping operation producing honey
- ♦ Established markets for all honey produced
- ♦ Good line of equipment in good operating condition
- ♦ Good facilities for handling bees and honey
- ♦ Family operated business
- ♦ High debt load but all payments up to date

Business Activities and Targets

Marketing Plan

- ♦ Diversify into pollen, comb honey, candles, and beestock sales
- ♦ Increase farm gate sales of honey by developing a brand name
- ♦ Improve packaging and promotional activities

Production Plan

- ♦ Maintain 500 hives in efficient honey production
- ♦ Produce alternate products (pollen, beestock, comb honey)
- ♦ Produce value-added wax products

Mangement and Labour Plan

- ♦ Share work load with family
- ♦ Train and upgrade to handle new products
- ♦ Minimize hired help

Financial Plan

- ♦ Pay off debt according to payment schedules
- ♦ Off farm investment strategy (education and retirement funds)
- ♦ Build equity



Business Organization

Under **Business Organization**, you want to present some basic information about your business and, for an existing business, how you got to this point.

The business organization includes:

- ♦ the basic structure
- ♦ ownership
- ♦ advisors
- ♦ special permits or licenses you have or need or legislation you must comply with such as:
 - ♦ The Bee Act
 - ♦ Canada Agricultural Products Standards Act
 - ♦ B.C. Agricultural Products Trading Act
 - ♦ Worker's Compensation Act

Business Operating History

Business Operating History describes the development of the business to this point,

- ♦ how long it has been operating,
- ♦ the size,
- ♦ the resources employed.
- ♦ strengths and weaknesses in the current operation.

Supporting detailed information describing the history of the business can be added as appendices to the business plan, for example:

- ♦ Market and price history
- ♦ Production records for the past five years
- ♦ Management/labor expertise & training
- ♦ Financial statements

Business Organization Example

Business Name **GOLDEN GLOW FARMS**
Box 10808
Quesnel, British Columbia, V2J 2C1

Telephone/Fax (604) 999-4444

Type of Organization Proprietorship

Licenses and Permits

- ♦ No special permits or licenses are required to operate or sell products in local area.
- ♦ Business is registered for GST and WCB.

Management and Labor

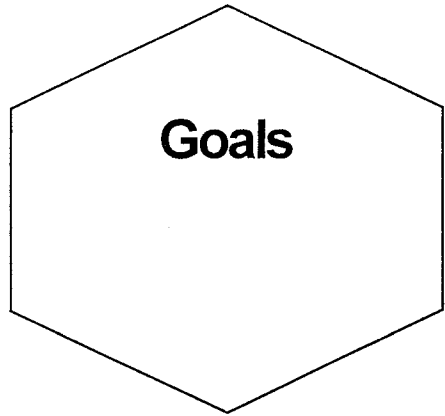
<i>Name</i>	<i>Position</i>	<i>Functions</i>
♦ Bill Washington	Owner	Operator/Manager
♦ Lila Washington	Assistant	Bookkeeper

Business Advisors

<i>Name</i>	<i>Role</i>
♦ Mary Smith	Accountant
♦ John Doe	Lawyer
♦ Joe Black	Bank Manager

Business Operating History

- ♦ started in 1979 on 20 acre land base as small beekeeping operation
- ♦ expanded slowly to 250 hives
- ♦ in 1985, expanded to the current size - 500 hives
- ♦ production focused on honey.
- ♦ some production sold direct from farm gate (about 9,000 lbs)
- ♦ shelf space in retail outlets in Williams Lake and Prince George
- ♦ good line of equipment which is in good shape
- ♦ honey production has been provincial average or higher
- ♦ debt financing for land purchase and expansion



Your **Goals** will tell the reader what you are trying to achieve with this plan.

This section will vary depending on who the reader is and how much you want to tell them. It will be considerably more detailed for internal use than for external use.

A goal is the object or end that one strives to attain. A well-defined goal:

- ♦ is a statement of action
- ♦ specifies the time
- ♦ is measurable
- ♦ is realistic given the resources and time you have

This section should contain at least:

- ♦ a statement of mission or purpose that indicates the overriding philosophy of the business
- ♦ the goals that you wish to achieve with this plan

Additionally, you might include:

- ♦ overall long term goals of the owner for the business
- ♦ other goals not directly related to the business but that will have an impact on achieving business goals

Goals Example

Mission			
To manage the farm as an efficient and profitable family-operated beekeeping business, maintain assets in good working condition, reduce debt and build equity.			
<i>Goal</i>	<i>Strategy</i>	<i>Tactics</i>	<i>Time</i>
Long Term Goals			
Pay off debt	Maintain payment schedule	Priority on high cash flow for payments	11 years
Set aside retirement funds	No new debt Start investment portfolio	Invest GST and income tax refunds Start NISA Account	15 years
<i>Goal</i>	<i>Strategy</i>	<i>Tactics</i>	<i>Time</i>
Short Term Goals			
Diversify production pollen	Learn about pollen Build to 15 traps	Seminar/books Set 5 new traps per year	3 years
wax craft	Make candles & bars		2 years
comb honey	Build boxes		2 years
nuc's	Learn about production	Books/ Join Bee Breeders	1 year
Take Beemaster Course			3 years