
BUSINESS PROFILE AND SUMMARY

Now Judy moved on to the next section. In this section, they will develop a mission statement or purpose for their operation, and go through the research and discussion necessary to develop Marketing, Production, Labour and Financial Objectives and Targets. At this point, Judy realized that they couldn't complete their Business Profile and Summary until after all the components of the plan were complete.

At this point in the process, they are very enthusiastic and optimistic. As they work through the process, this optimism will be tempered with reality resulting in a thorough and workable plan.

Judy started by writing rather a lengthy essay about the dreams she and Stewart had discussed so often. She got quite lyrical over her description of the farm market operation as she pictured it. Reading it over, she thought, 'This won't do. . .nobody is ever going to plough through all this.'

Leaning back in her chair, she closed her eyes and thought. 'I need to catch the bank manager's interest, and I need to focus on what it is we plan to do. And I need to make it interesting enough that whoever reads will be moved to go through the rest of the plan.'

'I also need to tell them where we plan to be with this business at the end of one year, two years and then three years. Let's see now. . .'

Grabbing a cup of coffee, a sheet of paper and a pen, she wrote down:

- We want to expand our growing area from 3 acres to 5 acres
- We want to grow more varieties of vegetables
- We want to add valued-added products to our market
- We want to include snack foods like home-made ice cream, home-made muffins, fruit leathers, and jams in our sales.
- We want a proper building to sell our products in, one that looks attractive and has sufficient room to display our products well.

After reading this over and over, Judy returned to the Word Processor, spaced down to a new page and wrote an outline for their business plan.

Looking under **Finance** in the looseleaf binder she was already calling their Informal Business Plan, Judy found the scrap of paper on which Stewart had done his calculations last night. Under the heading **Required Finance and Resources**, Judy typed in Stewart's numbers from the previous evening.

When Stewart and Judy finished, they were able come back and complete what you see on page 12.

Business Profile and Summary continued...

Business Objectives and Targets

Now for the objectives and targets they planned to shoot for. Judy and Stewart had attended a workshop on Goal Setting about a year ago at a local Chamber of Commerce meeting. Digging again in the untidy file cabinet, Judy found the tattered hand-outs which had been included in the \$25 workshop fee.

Judy decided their objectives needed to cover four areas: Marketing, Production, Labour and Financial.

Here Judy was stumped. Then she thought she could talk to the couple who owned the nursery where she worked. Perhaps they would be able to give her some clues. Acting on the thought, she telephoned Peter Evans, her boss at the nursery. She and Stewart had already confided their dreams of operating a full-time farm market to Mr. and Mrs. Evans. It was Molly Evans who answered Judy's call and on learning what Judy wanted, promptly invited both Judy and Stewart for supper Monday evening.

In the meantime, Stewart arrived home from school, his face thoroughly downcast. Judy, who planned to show him everything she had worked on that morning, was surprised.

"We can forget school tours as a source of revenue," he said bluntly. "Some of the other teachers say they've taken kids on-farm tours and the farmer complains about the children rampaging all over newly-planted crops, pulling young fruit off the trees and so on."

Judy didn't bat an eyelash. "Hey, first of all, we haven't had any trouble with school tours so far, and secondly, we can deal with that by laying down strict rules. Let's face that when we come to it Stewart. Look at what I've been doing."

Stewart cheered up. "Good work, Judy. It wasn't all bad news at school. Fred Roberts is a member of the Chamber and he told me they have all sorts of information about entertainment farming, bed and breakfast homes, teashops. He said he was in the office there one day when a couple came in looking for things to do and they actually asked if there were any farm tours in the neighbourhood."

"I like the teashop idea," said Judy, "but let's see how we get along with just selling a few food snack items to begin with . . . the fruit leathers, muffins and homemade ice cream that we talked about. Maybe next year, we can put in a real teashop."

Business Profile and Summary Example



Purpose of the plan

The plan outlines our proposal to expand our direct farm marketing business from three acres to five acres of vegetables and berries and to build an adequate building to sell our products at our farm.

Required Financing and Sources

\$125,000 is required to expand the business:

\$80,000 for buildings and improvements

\$20,000 for equipment

\$25,000 for start-up expenses

\$25,000 will come from our own funds

\$75,000 will be required as a bank loan or a loan from another source, with our property as security (mortgage)

\$25,000 will be required as a line of credit at the bank.

Business Objectives and Targets

Marketing

Expand current market by becoming a “destination” fresh produce market, offering a variety of homegrown healthy food, on-farm snack service and farm “entertainment”.

Target Prices:

Baby vegetables - \$10.00/doz. bunches (or bags); Gourmet Salad Mix - \$5.00/lb.;

Carrots - \$.75 bunch (\$.40/lb.); Onions - \$.50/bunch (\$.40/lb.);

Potatoes - \$.40/lb.; Herbs - \$1.50/bunch; Strawberries and Raspberries - \$2.25/lb.

Goal: To expand retail sales by 12% per year; snack and restaurant sales by 6% per year.

Production

Obtain optimal yields through good growing methods and implementing space-saving growing techniques and employing skilled effective farm labour.

Obtain optimal sales through recruiting and training skilled, effective employees.

Host “Farm Fun Days” every weekend from May through October.

Sell locally-produced jam, jellies, fruit leathers, juice, muffins and ice cream, specialty honey products. Some of these items will be available only in our on-farm snack bar.

Labour

Hire seasonal employees as follows:

Production Labour: March through November — a full-time person

Casual labour (for picking) June-July 3 - 5 persons

Sales Labour: May through October — 1 full-time, 2 part-time

Establish a safe and happy working environment through training programs and supervision, employee incentives and input.

Aim for a productive workforce with low turnover. We will achieve this through careful selection, screening, training programs, regular monitoring of performance, good communication and team-building.

Business Profile and Summary Example continued...



Financial

Establish a profitable direct farm market with a positive net income within one year, finance annual operating expenses from retaining earnings within three years.

Past and Projected Income, Expenses and Net Worth

Detail	Past Year	Yr. One	Yr. Two	Yr. Three
Revenue	\$46,391	\$110,000	\$121,400	\$134,060
Expenses	\$35,710	\$70,976	\$83,626	\$95,101
Net Income	\$10,681	\$38,024	\$37,774	\$37,959