Plan to Succeed

The One Page Business Plan

FARM CREDIT

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):	SMART Goal b):	SMART Goal b):
Action Plan: i. ii. iii.	Action Plan: i. ii. iii.	Action Plan: i. ii.	Action Plan: i. ii.

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.

Develop a budget to ensure you are valued.

1) Use last year's records as a starting point for your five-line income statement. If you're starting a new operation, plenty of information is available!
For example:
   - http://agalternatives.aers.psu.edu/
   - http://cdp.wisc.edu/Budgets,%20Spead%20&%20Programs.htm
   - http://www.ces.uga.edu/Agriculture/agecon/printedbudgets.htm

   Make sure you take regional cost differences into account (land rent is a good example of this.)

2) Calculate your five-line income statement.
   COGS = any expense that helps produce one more unit of output.
   Production labor and associated payroll expenses, including workman's compensation, unemployment taxes, FICA, Medicare, health insurance
   Crop or livestock inputs – seed, fertilizer, soils, chemicals, feed

   Overhead = any expense that you incur no matter how much production you actually have.
   The main ones are the "DIRTI" Five:
   Depreciation, Interest, Repairs, Taxes, Insurance
   Don't forget to include Managers' and Bookkeepers' wages/salaries, marketing, and utilities.

3) Calculate the percent of sales for each line.
   (Divide the dollars for each line by the total sales.)

Historical	Dollars	% of Sales
Sales *(total income)*		100%
- Cost of Goods Sold: *(variable costs)*		
= Gross Margin:		$\boxed{}$
- Overhead *(fixed costs)*		
= Profit (Net Margin)		

more instructions at www.foodshedguide.org

4) Create your budget—from the bottom up. Start with your desired draw (the amount you and your family need to take from the operation to live on, plus income taxes). Add the principal portion of any loan payments you need to make in 2011 to get the total profit needed from the operation.

5) Add your overhead expenses to the required profit to figure the gross margin the operation will need to yield. Your overhead expenses shouldn't change much from the previous year, unless you've undergone a significant expansion or other major change.

6) Determine the breakeven sales needed in your operation to support the overhead obligations and profit required. Do this by dividing the gross margin (E) by the gross margin as a percent of sales (taken from your records, calculated in step 3).

7) Step back and see if this budget makes sense. Is this sales volume reasonable for this year, especially if it's your first year in business? Is it possible for the acreage you raise and the market prices of your products? If it is, great! Develop a marketing plan (action plan) to achieve that level of sales. If not, that's okay. Rework until you have a plan that is sound. If this is a building year, how will you achieve your goal (and finance the operation in the meantime)? Address these questions early in the year to ensure you have a complete plan.

BUDGET		
Owner Draw Desired (include income taxes):	$	(A)
Bank principal payments required:	$	(B)
TOTAL PROFIT REQUIRED: (A+B)	$	(C)
Overhead expenses	$	(D)
GROSS MARGIN REQUIRED: (C+D)	$	(E)
Divide by Gross Margin percentage	$	(F)
SALES VOLUME REQUIRED: (E/[F as % of sales—from historical])	$	(G)

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The mission of Tyler's Tip-Top Tomatoes, LLC is to grow good food, make good money and be good people.

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:
Achieve an appropriate balance of work and home life	Make enough money to pay myself, the bank and reinvest in the farm	Increase efficiency while offering customers wider selection	Increase communication with customers

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): Take Sundays off	SMART Goal a): Make a net profit (including draw) of $50,000 this operating cycle	SMART Goal a): Decrease COGS/ lb of tomatoes	SMART Goal a): Start and maintain a blog to show customers progress on farm
Action Plan: i. Train Charlie for Sunday tasks, give him #'s to call ii. Measure his performance	Action Plan: i. Compare cash flow budget to P&L and bank accounts monthly, adjust as needed	Action Plan: i. Measure production per worker and per variety ii. Set pest traps, scout	Action Plan: i. Research platforms ii. Block off 1 hour each week to write post/ edit pics
SMART Goal b):	SMART Goal b):	SMART Goal b): Introduce at least one new variety of tomato for sale each year	SMART Goal b): Invite customers to participate in tomato soup contest, %of proceeds to be donated to local soup kitchen
Action Plan: i. ii. iii.	Action Plan: i. ii. iii.	Action Plan: i. Pick five varieties for trial, test on limited growing area ii. Measure yields to choose	Action Plan: i. Pick date and venue ii. Send out e-mail blast with soup kitchen for contestants

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Tyler's Tip Top Tomatoes

Historical	Dollars	% of Sales
Sales *(total income)*	$134,400	100%
- Cost of Goods Sold: *(variable costs)*	$80,096	60%
= Gross Margin:	$54,304	40%
- Overhead *(fixed costs)*	$40,345	30%
= Profit (Net Margin)	$13,959	10%

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BUDGET		
Owner Draw Desired (include income taxes):	$30,000	(A)
Bank principal payments required:	$20,000	(B)
TOTAL PROFIT REQUIRED: (A+B)	$50,000	(C)
Overhead expenses	$40,345	(D)
GROSS MARGIN REQUIRED: (C+D)	$90,345	(E)
Divide by Gross Margin percentage	1—.60 =.04 (40%)	(F)
SALES VOLUME REQUIRED: (E/F as % of sales—from historical])	$225,862	(G)

http://farmbiztrainer.com/resources/groups/one-page-planning-suite/