Show Me the Money

Business Planning for Farmer Markets

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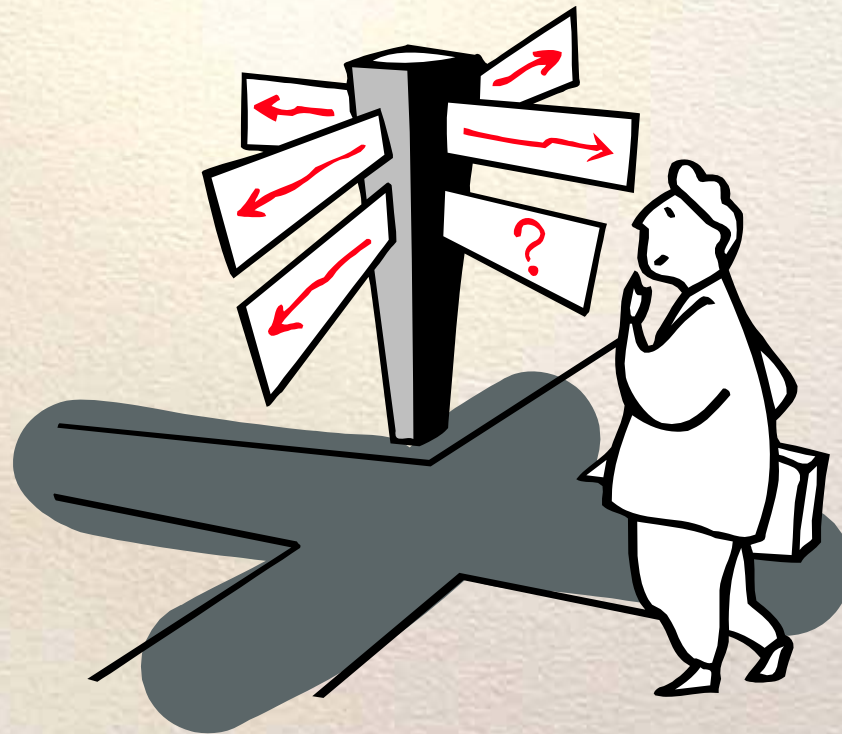
Farmers' Market—

A business of businesses

Why plan for "the money" (profitability)?

- **vendors**

- **customers**

- **community**

If you don't know where you are going…

A Business Plan describes:

- **Who you are;**

- **Who your market and competition is;**

- **What you're going to do;**

- **How you're going to do it; and**

- **How you will pay for it**

Why Write a Business Plan?

- **Make decisions**

- **Focus efforts**

- **Maximize resources**

- **Commit to a marketing strategy**

- **Anticipate and avoid obstacles**

Why Write a Business Plan?

- **Set goals**

- **Determine direction**

- **Attract funding**

- **Gain buy-in and support**

The purpose of a business plan is …

- to have a successful Farmers' Market
- to plan for profitability

Who does the planning

- **Board**

- **Vendors**

- **Manager**

Often with advisory support

Factors in Success

- **Concept**

- **Market**

- **Management**

- **Finances**

- **Communication**

Factors of Success

- **Ability to Attract, Motivate and Retain Vendors, Customers, Manager, Board**

- **Financial Control**

- **Anticipate and Adapt to Change**

- **Values and Integrity**

Elements of the Business Plan

- **Executive Summary**
- **Description**
- **Target Market**
- **Marketing Plan**
- **Competition**
- **Strategic Position & Risk Assessment**
- **Operations**
- **Management & Organization**
- **Goals and Action Plan**
- **Pro Forma Financials**
- **Appendix**

Executive Summary

- The most important part of your business plan.

- Includes the conclusion or highlights of each section.

- Write the executive summary last.

Description

- **Name**
- **Legal Form**
- **Mission Statement**
- **Goals and Objectives**
- **Products and Services**
- **Management and Leadership**
- **Location**
- **Stage of Development**
- **Ownership Structure**

Target Market

- **Customers and vendors**
- **Define Your Market**
  - **What's the size of your market?**
  - **Who is your market? Why?**
  - **Where is your market?**
- **Evaluate Trends**
- **Identify Strategic Opportunities**

Marketing Plan

- **Defines the target customer**
- **Appeals to needs/interests**
- **Positions the Market and its vendors**
- **Sets sales and traffic goals**
- **Makes the connection**
    - **How will you reach your customers?**
    - **What is your message?**
    - **How will you deliver your message?**

Competition

- Who are your major competitors?
- On what basis do you compete?
- How do you compare?
- Who are your potential future competitors?

Strategic Position & Risk Assessment

- **How are you distinct?**
- **What business are you really in?**
- **S.W.O.T. Analysis**
  - Strengths
  - Weaknesses
  - Opportunities
  - Threats

Operations

- **How will you run your market?**
  - **During the season?**
  - **Off season**

- **What are the essential parts & functions?**
  - **Facilities**
  - **Vendor relations**
  - **Financial Control**
  - **Contingency Planning**
  - **Regulatory, environmental**

Management & Organization

- **Who runs the market?**
- **What qualifications?**
- **Compensation and incentives?**
- **Recruitment? Retention?**
- **What is your management structure?**
  - Roles, responsibilities and lines of authority?

Goals and Action Plan

- **Where do you want to be in 3-5 years?**
- **Strategy for getting there?**
- **Priorities?**
- **Actions?**
- **Resources?**

Financials - Projections

- **Your business plan expressed in $$**
- **Types**
  - **Income Statement**
  - **Cash-Flow Projections**
  - **Balance Sheet**
  - **Other**
    - **Sources and Uses of Funds**
    - **Break-even Analysis**
    - **Start-up Costs**
    - **Assumptions**

Appendix

Items that reinforce or support the business plan:

- **Resumes (board, manager)**
- **Vendors (farm descriptions and products)**
- **Marketing materials**
- **Photos**
- **Letters of support or key supporters**
- **Endorsements**
- **Market Research Results**

Where to get help?

- **Small Business Development Centers**
- **Main Street**
- **Cooperative Extension**
- **Business planning guides**
- **Universities and colleges**

Acknowledgements

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