



Hudson Valley AgriBusiness
Development Corporation

LOCAL LAMB LESSONS

Business Plans: Why and How

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What is a business plan?

“A document that clearly describes the objectives of an existing or proposed business, identifies the resources needed to accomplish these objectives and describes what steps will be taken to accomplish these objectives.”

What is a business plan?

- A business plan needs to be in writing, not in your head.
 - Most people don't have ESP. (If it's in your head, no one else can read it.)
 - If you can't put something in writing, maybe you don't really understand what it is you're trying to say.

Why do we need a business plan?

- A business plan can give you the confidence to start your business or it can help you realize that your business idea is not a good one.
- After you start your business, you can refer back to your business plan.
- A business plan is usually a requirement of obtaining a loan or investment financing.

Why do we need a business plan?

- A business plan can help you in the marketing of your business.
- Your business plan will depend on what you are using it for (bank financing, internal, etc.)
- It does not have to be a lengthy document (shorter is usually better!)

Business plans are a road map and a process!

- **Road Map:** It's easier to get somewhere if you have an idea of where you are going and the roads you must travel.
- **Process:** Going through the process of putting a business plan together forces an organization to look at itself and the future.

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Key components of a business plan:

Executive Summary

- One page
- Do this last

Description

- Brief!

Objectives

- What would make the business successful in your eyes?

Mission Statement

- What is the reason for this business to exist?

Background

- How did we get here?

Customers

- Who are they?
- Where are they?
- What do they want?

Products/Services

- Identify what you are selling and pricing

Competitors

- What if you don't have any competition?

Marketing Strategy

- How will you connect your products to your customers?

Operations/Manufacturing/Production

- How do you produce what you are selling?

Systems

- How will you keep track of things?

Management and Organization

- including employees

Financing Required

- including sources and uses of funds

Action Items

- including deadlines

Financial Projections

- (don't expect them to be perfect)

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Hudson Valley AgriBusiness Development Corporation

507 Warren St - 2nd Floor [SEP] Hudson, New York

12534 [SEP] (518) 432.5360

info@HVADC.org

www.HVADC.org

Conclusions

- Follow the plan!
(Do what you said you would do)
- Review and update as necessary
(Living document)
- Questions?

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