

Business Plans

What goes in a business plan?

The body of the business plan can be divided into four distinct sections:

- I. The description of the business
- II. The marketing plan
- III. The management plan
- IV. The financial management plan

I. Description of the Business

Provide a detailed description of your business. Ask questions such as "What business am I in?" When answering this question include your products, market and services as well as a thorough description of what makes your business unique. As the business plan develops, initial questions may be modified. Note the description of the business corresponds closely with the feasibility study questions proposed on the previous sheet.

II. The Marketing Plan

The marketing plan, or sometimes referred to as the "game plan" is more detailed than the questions asked in a feasibility study. The marketing plan actually outlines the activities to undergo in day-to-day operations, and the overall long run marketing projections.

Positioning

What are the intended or desired goals for the association with respect to how they want to be regarded as a supplier to the targeted market? Primary in-season supplier? Gap or short order supplier? Steady but secondary presence? What competitive factors outside the association may influence the viability of alternative supplier positions? What competitive advantage does the association have in the respective market?

Product line

What products will be emphasized in each target market? How are they chosen? How are new products introduced? Will there be any attempt to differentiate products?

Price

What product price will be necessary to make the targeted market viable? What are the break-even costs? What have prices been historically for similar products in the market? How will prices be determined? Who will determine it?

Distribution

Will distribution involve largely local channels or will there be significant inter-state trade? Is a PACA license necessary? How might growers efficiently manage/coordinate their deliveries with outbound logistics? Might this be different depending on the target market? What specific outlets, businesses, or customers will be targeted within targeted market channel? Are there specific distribution and packaging needs for these customers?

Sales force

Who will handle the sales activities? How will contacts be made and maintained? Are there guidelines that need to be developed for sales staff? Special training? What sales activities are standard (required?) for the targeted market?

Sales promotion

Are special sales promotions beneficial to the development of a presence in the marketing channel? What are some cost-effective ways of starting? What are industry conventions for sales promotions? Trade shows? Industry associations?

Advertising

What advertising (if any) might be justified for the target market? What are effective media? Should there be a portion of the budget allocated to advertising? Should a professional agency be employed or can the association manage it? Are there any outside resources to help develop advertising to targeted customers?

Service

Are unique services expected for the market being considered? What are the costs and benefits to providing these services? What service might be necessary for the association to achieve the desired position in the market? Who provides the services?

Research and development

What activities can help the association monitor new industry tools and technology that may help the association improve its functioning or products? Is R & D likely to be important for the target market? Has there been considerable innovation within the segment recently? How might R & D needs be identified and communicated to organizations positioned to help the association with this task?

Marketing research

What trends may be important to watch in relation to the targeted market segment? What resources would be necessary to carry on needed market research? What industry communications monitor the relevant trends for the targeted market? What are the costs and benefits of the market research?

The 10 components above are guidelines to follow. The components are very important and any entity will vary from the next in answering the components. The association can benefit from having basic information and alternatives generated from this marketing plan.