

AGRI**T**OURISM BUSINESS PLANNING & MANAGEMENT

Presented by:
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UC Merced Regional Network

Small Business
Development
Center

at CSU Monterey Bay



U.S. Small Business Administration

TODAY'S AGENDA

- Overview of the CSUMB SBDC
- Innovation
- Current Trends in Business Planning
- Why Write a Business Plan?
- Lean Canvas
- Mind Mapping
- Business Planning
- Goal Setting
- Pricing
- Key Success Factors
- Q&A



SMALL BUSINESS DEVELOPMENT CENTER

WHO WE ARE

- a team of **trusted professionals** with a wide variety of expertise in business development
- part of a **national network** of over 1,100 SBDCs
- **collaborative partners** with community organizations, local, state and federal agencies



OUR PROFESSIONAL TEAM:

- **US Small Business Administration**
Fresno District Office
- **UC Merced Regional Lead SBDC**
- **CSUMB SBDC**
 - Marylou Shockley, Chair School of Business
 - Andrea Nield, Associate Director
 - **The Counseling Team!**
- **Community Partners**
 - Monterey County Business Council
 - State of CA, local governments, Counties & Cities
 - Industry Associations
 - SBA Resource Partners (Lenders, SCORE, WBC, Central Coast SBDC at Cabrillo College)
 - Other Stakeholders (such as Chambers of Commerce, Hartnell Community College, ALBA, Banks, HR, Legal, Marketing, Insurance, Accounting, Finance firms etc...)



TAKE ADVANTAGE OF SBDC SERVICES!

- No out of pocket cost for SBDC confidential consultation services
- Better business assessment & understanding
- Increased awareness of opportunities
- Increased confidence with a viable business plan
- Improved finances & access to capital
- Increased sales & profits!





WHAT WE OFFER SMALL BUSINESSES

WORKSHOPS

TRAINING

**PRIVATE
CONSULTING**

**RESEARCH
LIBRARY**

**LOAN
PACKAGING**

**TECHNOLOGY
DEVELOPMENT**

**EXTENSIVE
NETWORKING**



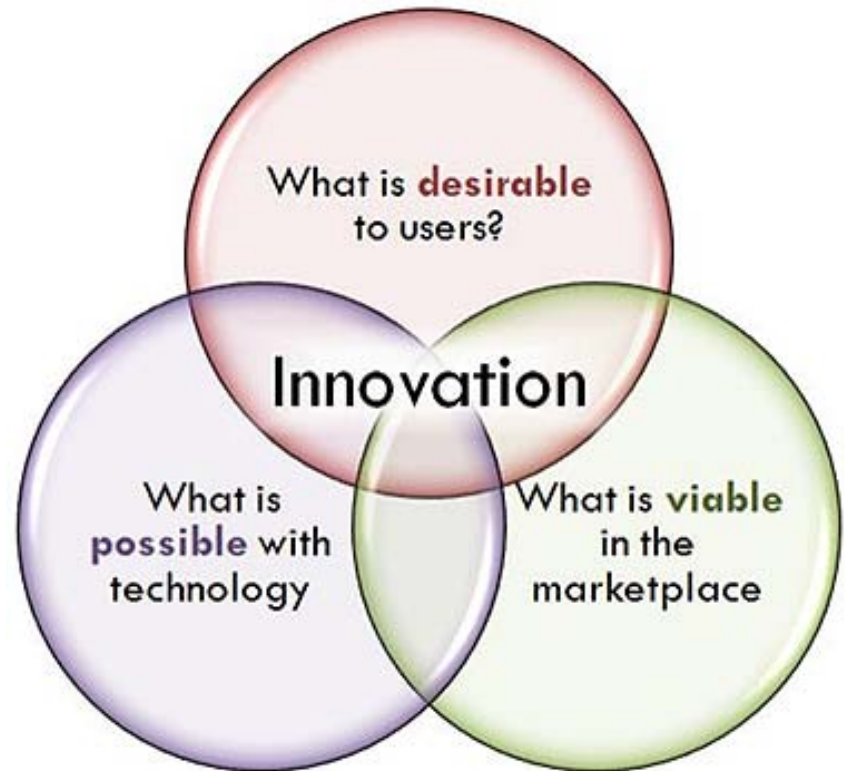
YOU'LL SEE REAL RESULTS!

UCM SBDC clients created **15.7%** more jobs than other CA small businesses!

Based on research by James J. Chrisman, Ph.D. Mississippi State, 2011-2012 client impact data

INNOVATION IS

...the application of new solutions that meet new requirements, inarticulate needs, or existing market needs. This is accomplished through more effective products, processes, services, technologies, or ideas that are readily available to markets, governments and society. *The term innovation can be defined as something original and new that "breaks into" the market or into society.*



INNOVATION IN AGRITOURISM



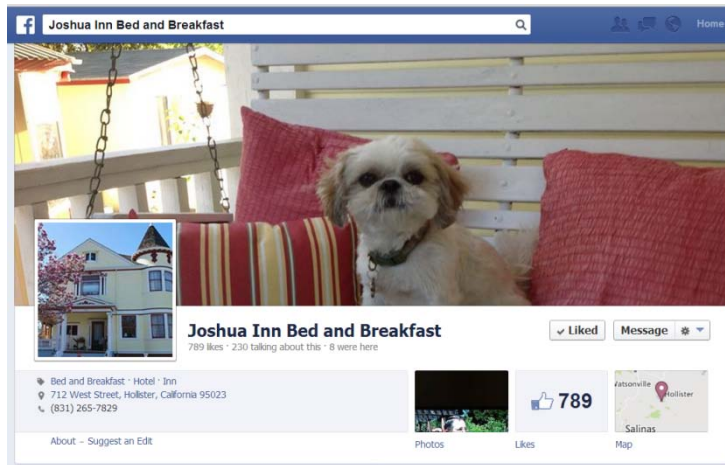
Farm-based recreation, or agritourism, provides income to more than 52,000 U.S. farms.

The 100 acre Liberty Ridge Farm near Albany New York State, attracts 40,000 people each year to its agri-tourism business by **diversifying, entertaining, experimenting, and adopting new technologies**, according to Larry Rulison, business writer with Times Union.

Rulison reports that the average visitor stay is four hours and average expenditure is over US\$13.00 per person.



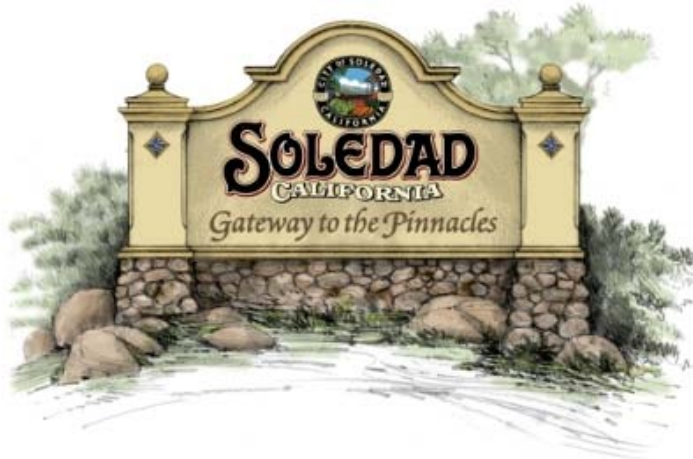
TOURISM IS SOARING!



- CA is #1 destination for international tourists
- Pinnacles National Park revenues are up 25%

○ Innovation

- EcoTourism
- AgriTourism



WHY WRITE A BUSINESS PLAN?

Clarify your thinking process

Help evaluate your idea

Use as a daily dashboard

Communicate ideas

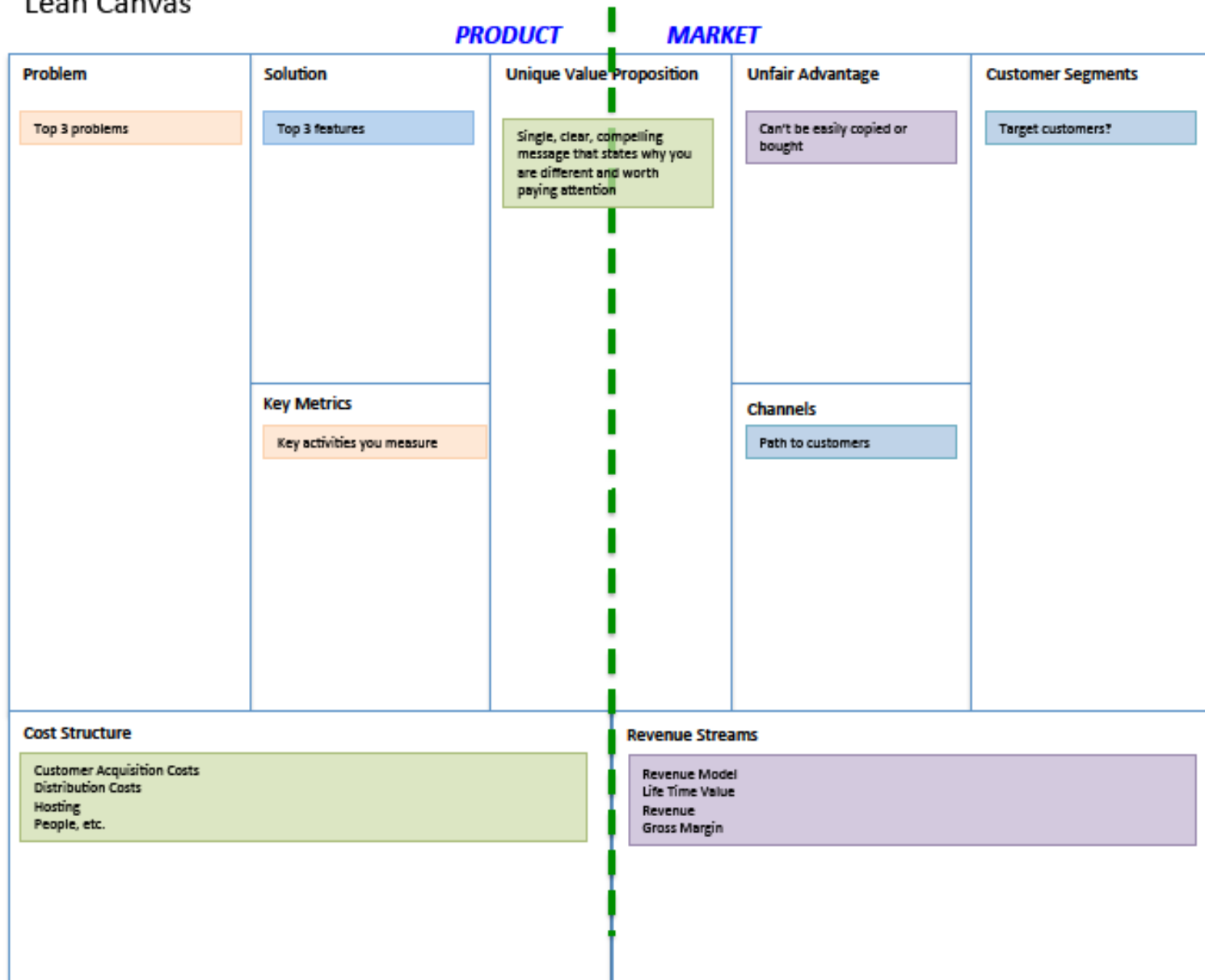
Be proactive vs. reactive

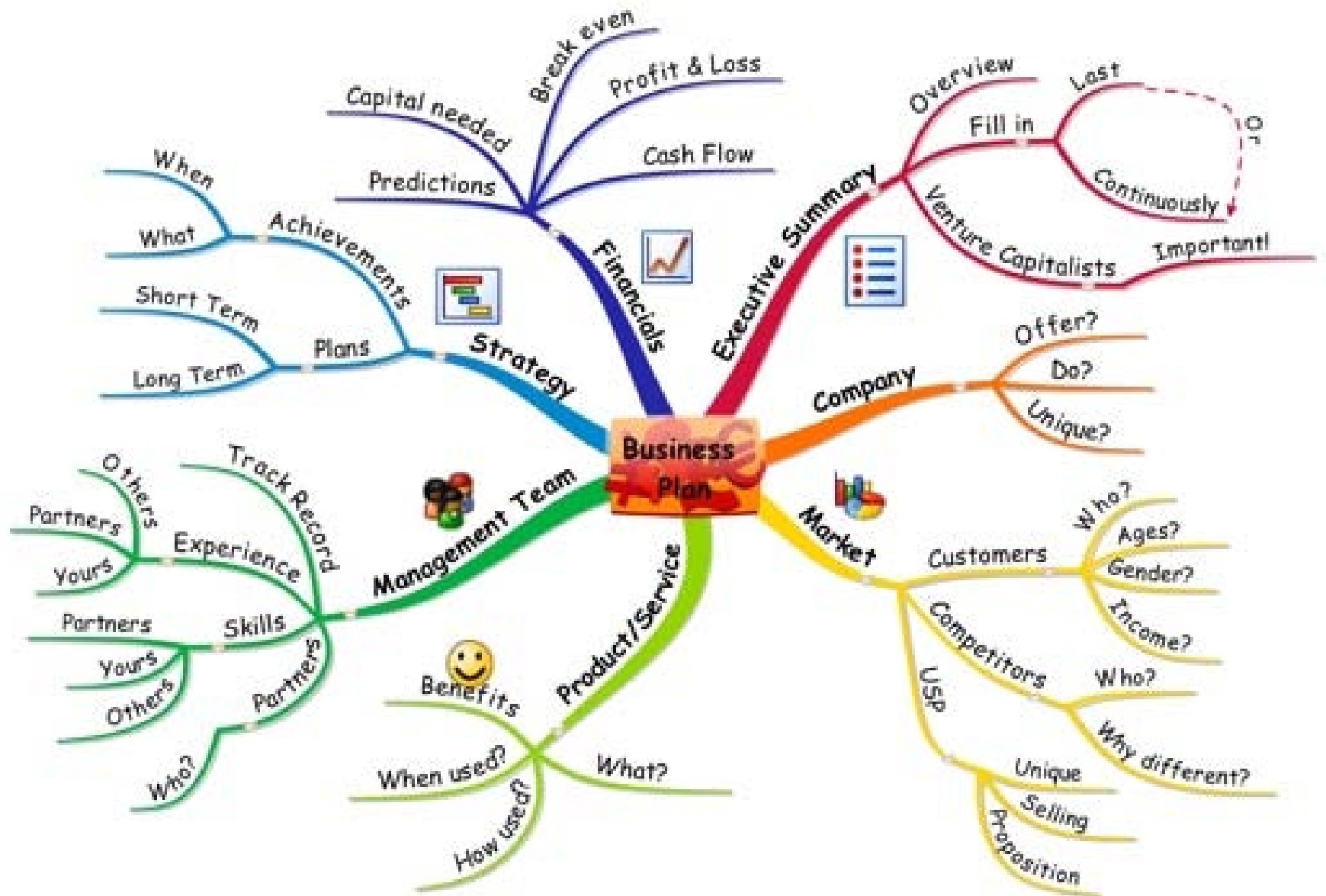
Identify opportunities

Answer important questions



Lean Canvas





1-Page Business Plan Outline

Completing this outline will help you determine if your business idea is feasible. In other words, does it have the potential to become a successful and profitable business? Just because a business “idea” seems to have the potential for success does not mean it will be financially successful or even something that “YOU” should attempt to do.

There are dozens if not hundreds of things to consider and address when writing a business plan. Completing this simple outline will help you determine if you want to move to the next stage of writing a full Business Plan. Keep in mind that successful Business Plans are based on “Facts” not wishes.

- What’s your **Idea** for a business?
- **Who’s** going to buy what you sell and how will you **Communicate** with them?
- How will you **Supply** what you sell and what will it **Cost**?
- Will you make a **Profit & When**?
- Where will you get the **Money** to start and operate the business?



VISION STATEMENT

- A well written Vision Statement should graphically describe what is being built...in three sentences or less.
- The power of visualization - If you can SEE it, it will happen.



**"CREATE THE HIGHEST,
GRANDEST VISION
POSSIBLE FOR YOUR LIFE,
BECAUSE YOU BECOME
WHAT YOU BELIEVE."**

OPRAH WINFREY

HAPPYTOINSPIRE



VISION STATEMENT TEMPLATE

Within the next 3 years grow _____

{business name}

into a successful _____

{ local, regional, national international}

{type of business}

providing _____

{description of product or service}

to _____

{Describe target market}

With annual gross sales of _____

And a net profit margin of _____%

And a net profit of _____.



VISION STATEMENT SAMPLE

- Within the next 3 years grow Farm House into a international travel destination by providing genuine Americana Family Farm Bed and Breakfast experience to Chinese Tourists, with gross sales of \$450,000 and a net profit margin of 25%.



DEVELOPING A MISSION STATEMENT

Mission Statements answer these questions:

- Why does this business exist?
- What is your unique selling proposition?
- What are you committed to providing to our customers?
- What promise are you making to your clients?
- What wants, needs, desires, or what problems does your product/services solve?



DEVELOPING A MISSION STATEMENT

Your mission statement: Defines the purpose of your business and the effect you intend to have on the world around you. It states what you do for others and the approach you follow in order to achieve the aspirations you've set. Think of your mission as the route you'll follow to achieve your vision and the promise you make to those who will do business with you.

In one sentence describe what your business does: _____.

_____.

In a minimum of words, describe what your business offers your customers _____.

_____.

In a phrase, describe the group of people you serve _____.

_____.

What benefit(s) or positive outcomes do you "promise" your customers? _____.

_____.



EXAMPLE MISSION STATEMENT

Harley-Davidson, Inc

3700 W. Juneau Ave. Milwaukee, WI 53208

Slogan / Motto

Define your world in a whole new way.

Description

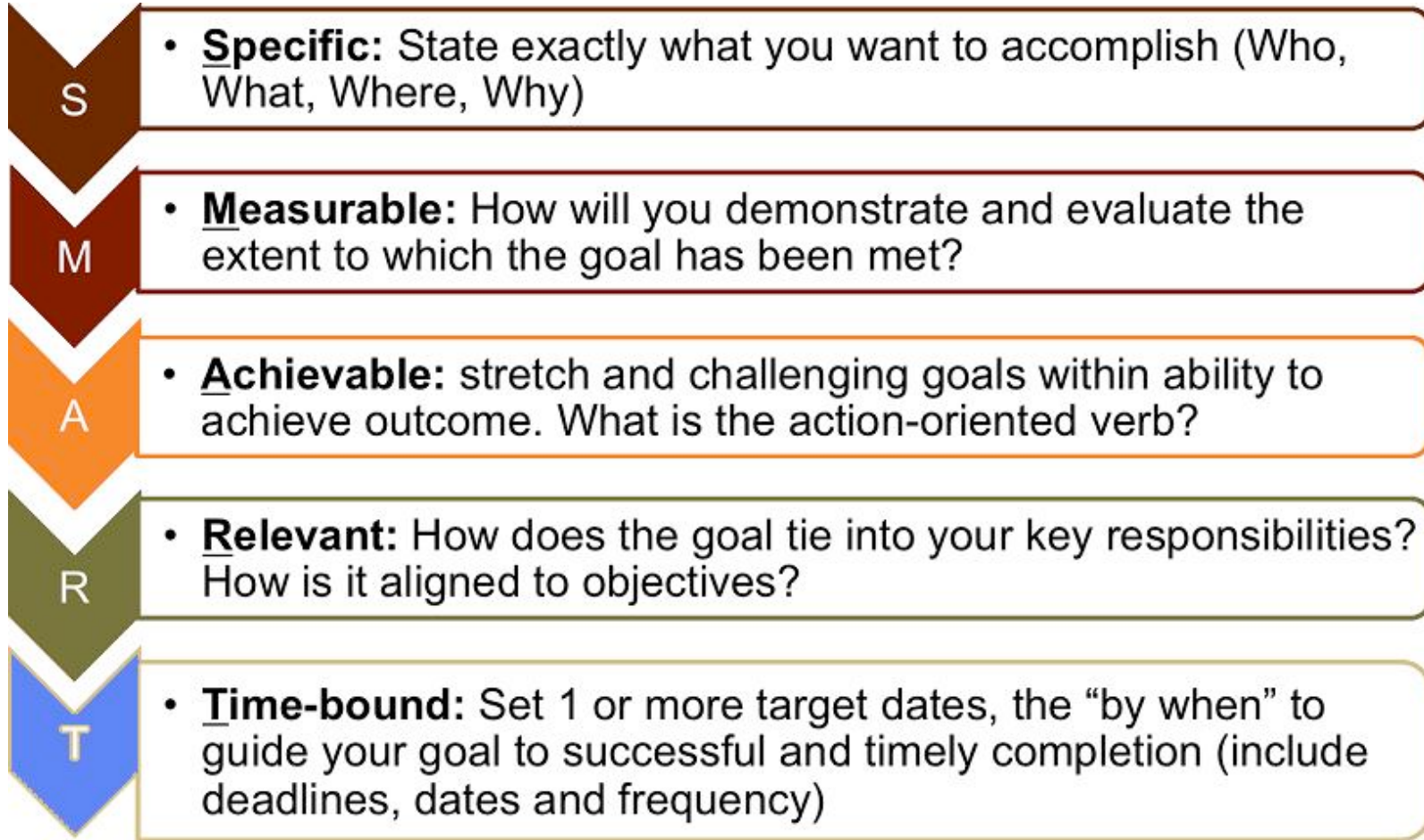
Harley-Davidson, Inc., is the manufacturer of a line of motorcycles, with over 32 models of touring and custom Harleys. Aside from their line of motorcycles, Harley-Davidson also offers motorcycle accessories, motorcycle clothing apparel, and engines.

Mission Statement

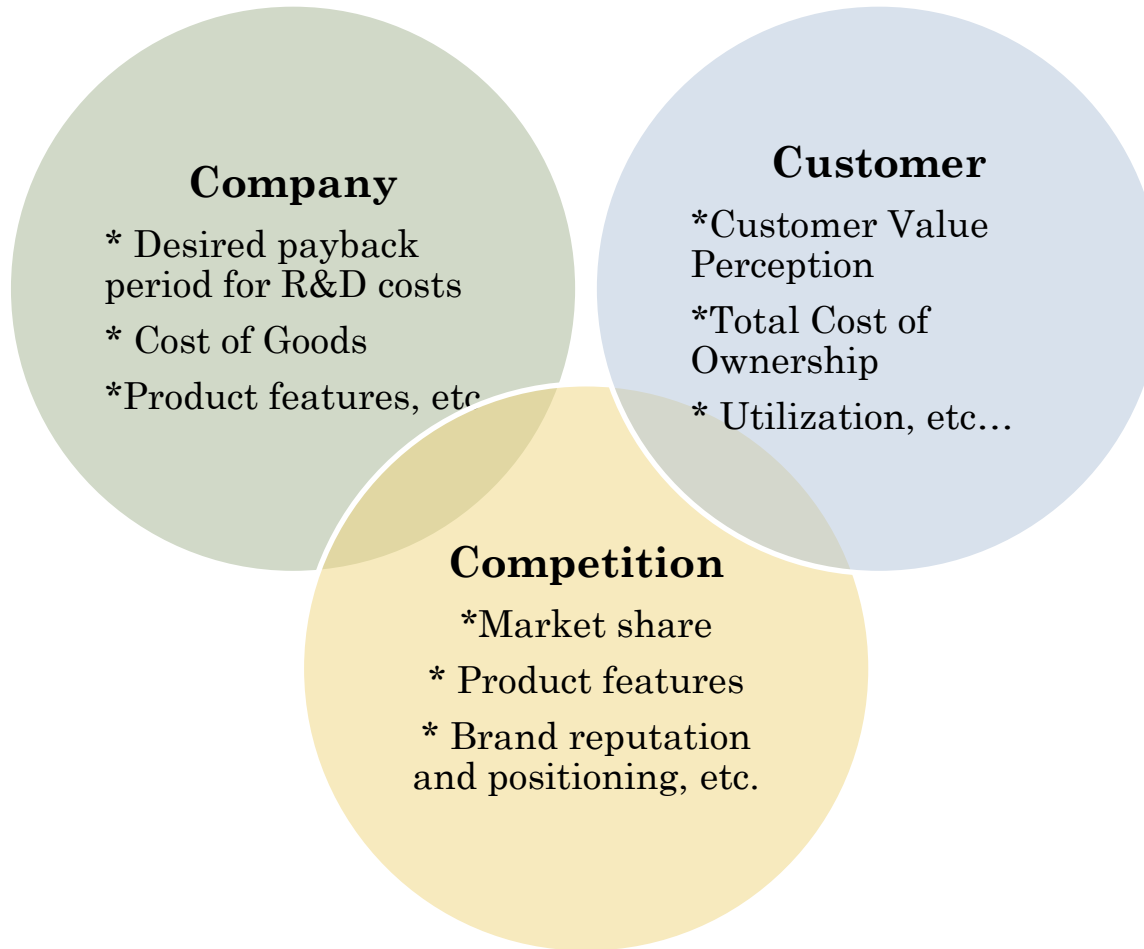
We fulfill dreams through the experience of motorcycling, by providing to motorcyclists and to the general public an expanding line of motorcycles and branded products and services in selected market segments.



GOALS & OBJECTIVES



PRICING YOUR PRODUCTS & SERVICES



PRICING FORMULA



Subjective
Values &
Influences

- Perceived value!
- Elasticity
 - $\frac{\text{change in quantity}}{\% \text{ change in price}}$
- Market conditions

BREAKEVEN

Fixed &
Variable
Costs

- Labor
- Materials
- Utilities
- Rent
- Equipment

THE IMPORTANCE OF POLICIES



- Fairness
- Clarity of expectations
- Reduces subjectivity
- Provides predictability, stability, safety



BE AWARE OF FAILURE FACTORS

- Inefficient control over costs & quality
- Poor stock control
- Underpricing
- Poor customer relations
- Failure to promote & maintain a favorable public image
- Poor relations with suppliers
- Inability to make management decisions & act on them
- Failure to keep pace with management system
- Illness of key personnel
- Reluctance to see professional assistance
- Failure to minimize taxation through tax planning
- Inadequate insurance
- Loss of impetus in sales
- Poor personnel relations
- Loss of key personnel
- Lack of staff training
- Lack of knowledge of merchandise
- Inability to cope adequately with competition
- Competition disregarded due to complacency
- Failure to anticipate market trends
- Loose control of liquid assets
- Insufficient working capital
- Growth without adequate capitalization
- Poor budgeting
- Ignoring data on the company's financial position
- Extending too much credit
- Poor credit control
- Over borrowing or using too much credit
- Poor control over receivables



KEY SUCCESS FACTORS

- **Having a clear vision**
- **Leadership**
- **Determination / Persistence**
- **Spending time “running the business” and having the skills to do so**
- **A strong work related network**
- **Marketing and sales skills**
- **Confidence in skills and abilities**
- **Good health**
- **Problem-solver**
- **Able to deal with lack of security**
- **Sufficient capital**
- **Others?**



THANK YOU!

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<http://bit.ly/SBDCadvice>



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