



Plumas Sierra Agritourism

Intro to Business Planning





Business Planning Basics

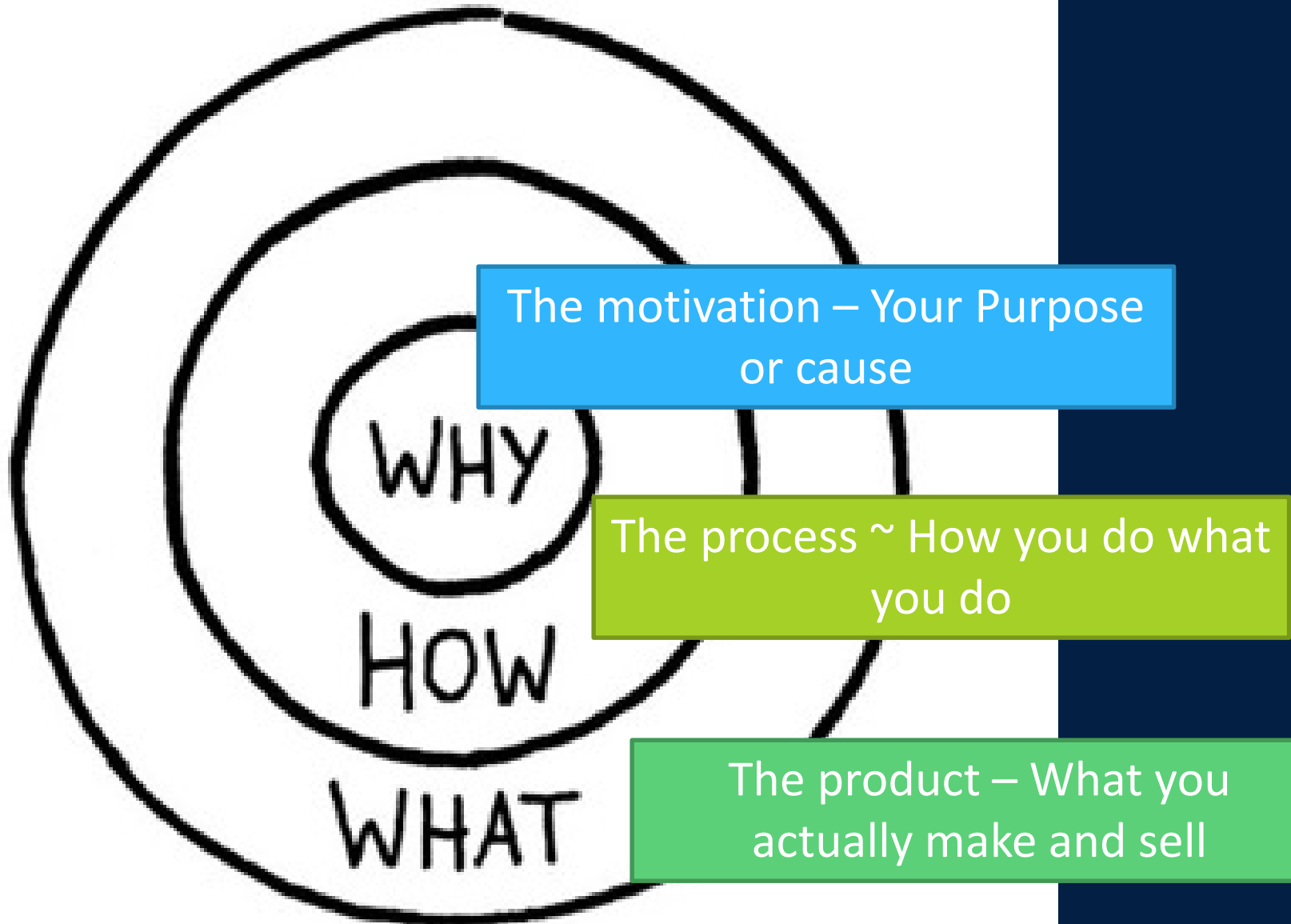
- Introductions
- Purpose of the Business Plan
- Mission & Vision
- Business Model Canvas
- Q&A

Business Plan Purpose ::

- Communicate your idea
- Provide framework for decision making
- Clarify your goals
- Raise money
- Action plan
- Benchmark progress



Start with Why



Assessing Your Goals

Build Your
Business for
the Long
Term

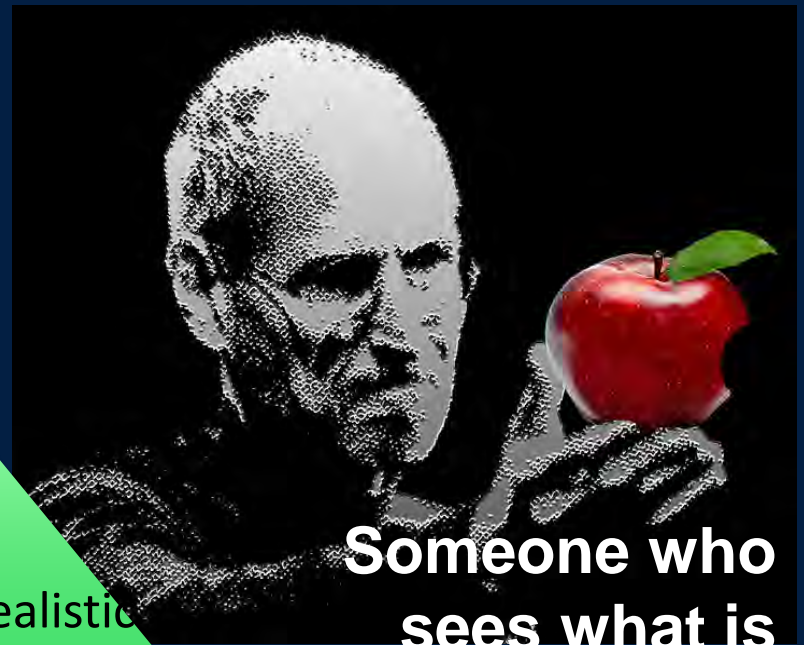
Expensive
Hobby with a
Tax Write off

Escape -
Maximize
Profit and
pull cash out

Exit – Sell
Business and
Ride off into
the Sunset

- Identify Externalities & Exit Strategy
- Protect the Downside
- Grow the Upside

Mission vs Vision



**Someone who
sees what is
possible**

Vision

Broad based & idealistic

Mission

Your purpose - What you do to
bring the vision into reality

Guiding Principles

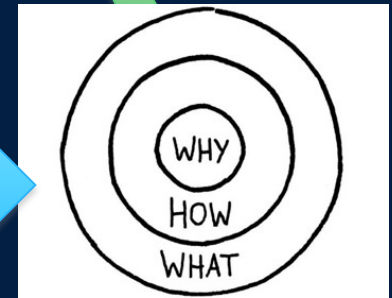
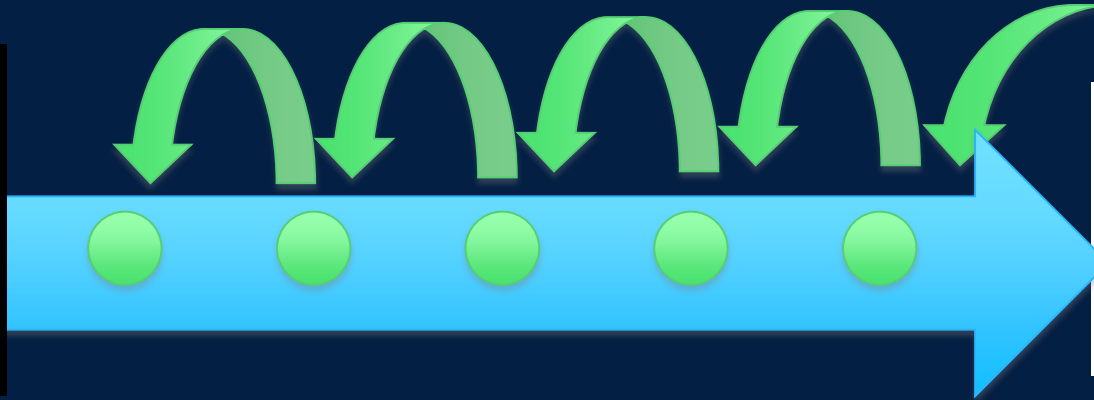
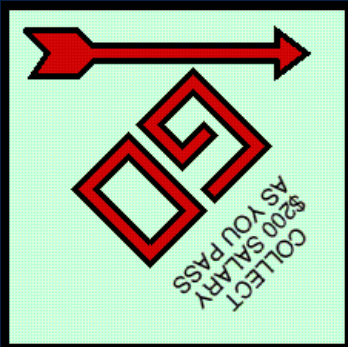
Broad based tactical goals that inform action



**Those who
carry out the
work**

Road Map for Business Success

Begin with the end in mind



- Begin with your vision
- Where are you today
 - Bridge the gap

Capay Farms Vision



Transform agriculture by connecting local farms and communities in a method that is environmentally and economically sustainable



The Business Model Canvas

- Frame your business idea
- Identify your MVP

KEY PARTNERS Who are our key partners? Who are our key suppliers? Which key resources are we acquiring from our partners? Which key activities do partners perform?	KEY ACTIVITIES What key activities do our value propositions require? Our distribution channels? Customer relationships? Revenue streams?	VALUE PROPOSITIONS What value do we deliver to the customer? Which one of our customers' problems are we helping to solve? What bundles of products and services are we offering to each segment? Which customer needs are we satisfying? What is the minimum viable product?	CUSTOMER RELATIONSHIPS How do we get, keep, and grow customers? Which customer relationships have we established? How are they integrated with the rest of our business model? How costly are they?	CUSTOMER SEGMENTS For whom are we creating value? Who are our most important customers? What are the customer archetypes?
	KEY RESOURCES What key resources do our value propositions require? Our distribution channels? Customer relationships? Revenue streams?		CHANNELS Through which channels do our customer segments want to be reached? How do other companies reach them now? Which ones work best? Which ones are most cost-efficient? How are we integrating them with customer routines?	
COST STRUCTURE What are the most important costs inherent to our business model? Which key resources are most expensive? Which key activities are most expensive?		REVENUE STREAMS For what value are our customers really willing to pay? For what do they currently pay? What is the revenue model? What are the pricing tactics?		

The Classic Case

- Tested Hypothesis without building infrastructure
- Validated business model before investment



PHOTO: BRAD SWONETZ/REDUX

MVP Case Study ::

Vertical Farm w/ Anaerobic Digester

- Localize Food Production
- Create jobs
- Compost on site
- Leverage distribution
- Responsible land use



MVP – Minimum Viable Product



The Business Model Canvas



I AM THE LEFT BRAIN

Decisive!
011001011 LOGIC

Accurate
ANALYTIC

REASON
1 2 3 4 5 6 7 8 9
2 4 5 8 1 9

PRACTICAL
Strategic

CONTROL

SCIENCE
Realistic
B.P.P.

WWW.CARTOONADAY.COM



I AM the Right Brain!

Intuition
Love LOVE love

you art
Poetry

FREEDOM

Passion
vivid

creative

YEARNING

PEACE

Get Clear About Your Value Proposition

- What what will you do better?
- Which customer needs are you satisfying?
- What is your “MVP” – minimum viable product?
 - *Smallest project that will teach you something*



Get Away from the Computer



KYC ::

Urban Farm Store



- PUC land (5,000 sq ft adjacent to treatment plant
- Tool resource hub, compost, mulch & urban farming education to benefit greater Southeast region
- Partner with Parks & Recreation



Key Partners

- Who are your key partners?
 - What activities do they perform?
 - How do you leverage them?

Community Greenhouse Partners



Key Elements

- Downtown revitalization project
- Public / private partnership
- Creative financing
- Historic preservation

New Policy / Support Required

- Special use permits

Benefits / Issues

- Local Small business support
- Community hub
- Long term transformation
- Sustainable Urban Farm

Key Activities

- What key activities are required in your business?
- How can you maximize efficiency



Operations Plan

Streamline your operations to
maximize profit




Scale Activities ::

Processing Facility

- Service multiple food related businesses
- Leverage distribution
- Create jobs
- Access



From My Kitchen  To Your Kitchen

CALIFORNIA VEGETABLES

in Balsamic Glaze

Made with organic carrots, cauliflower and balsamic vinegar

 Lisa likes this

Chilled for salad • As a wrap • With grilled chicken

serving suggestion KEEP FROZEN NET WT 10 OZ (283g)

Key Resources

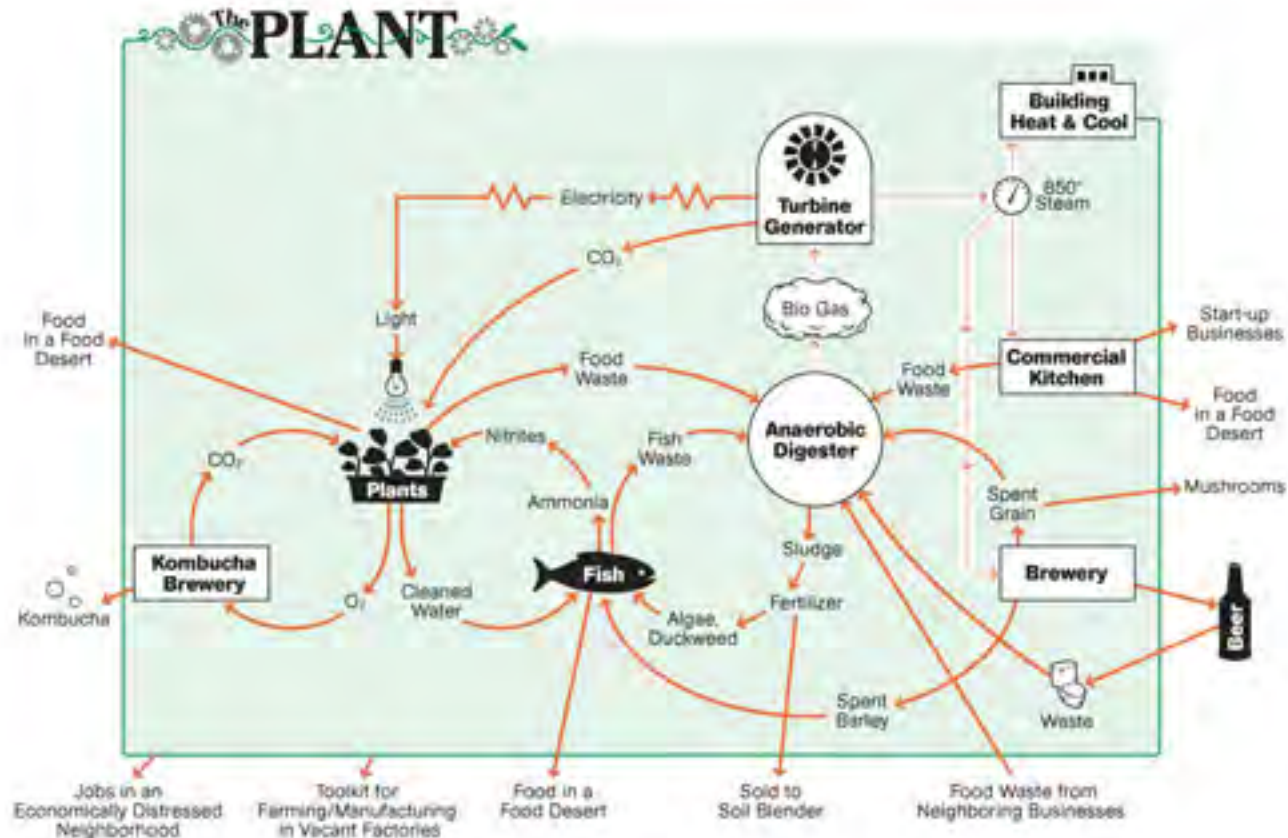


- How do you create value?
- What are your key resources ?
 - Key Suppliers?
 - Knowledge base?
 - Other Resources
 - Inputs / outputs/ processes?




Proven Concepts ::

The Plant - Chicago





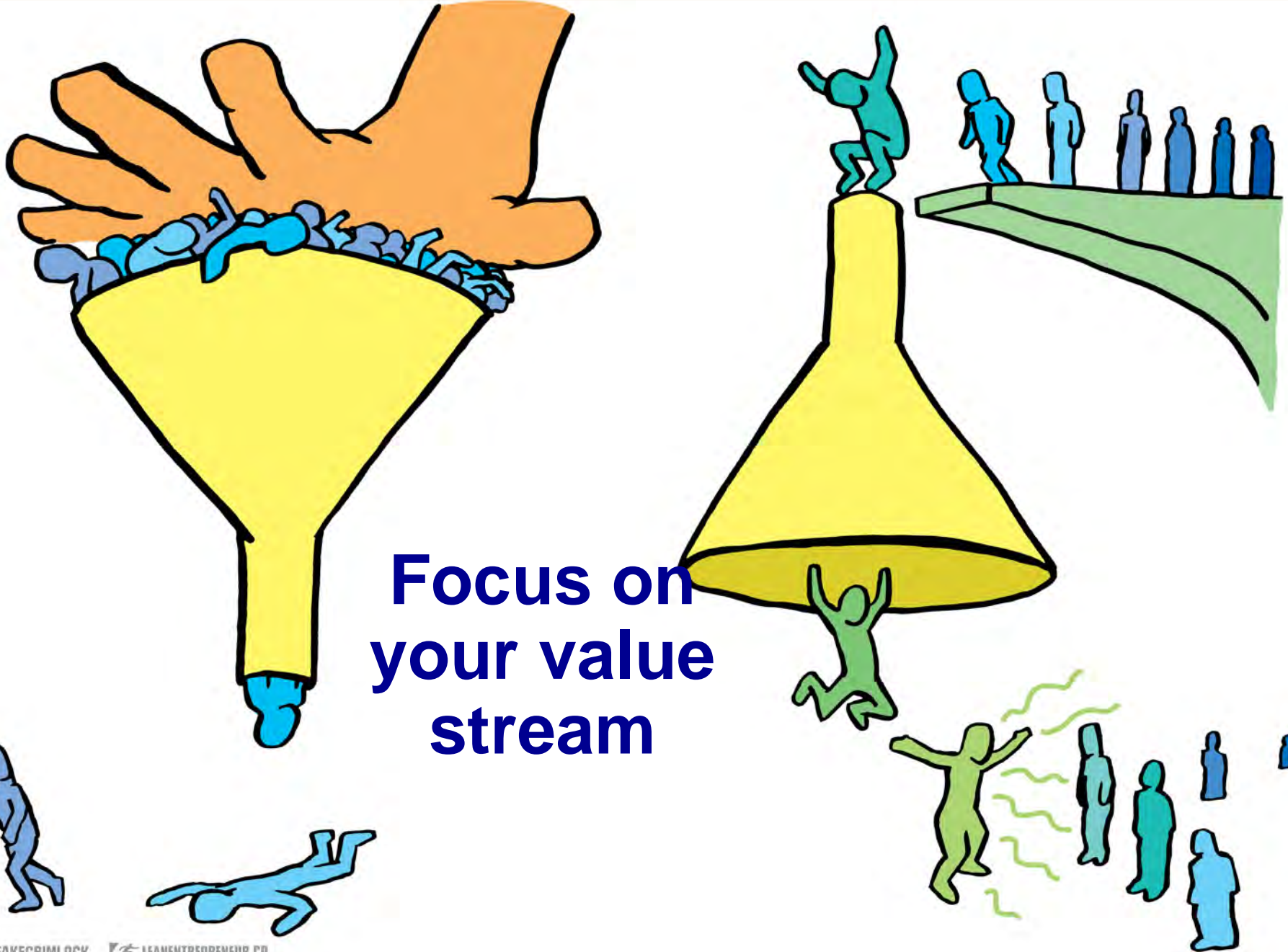
Customer Relationships

- How do you create “raging fan” customers?
 - How can you leverage existing customers?
 - How costly is it to attract new customers?
 - Know demographic and psychographic profile.
- 

Proven Concepts ::

Growing Power





**Focus on
your value
stream**

What Happens in an Internet Minute



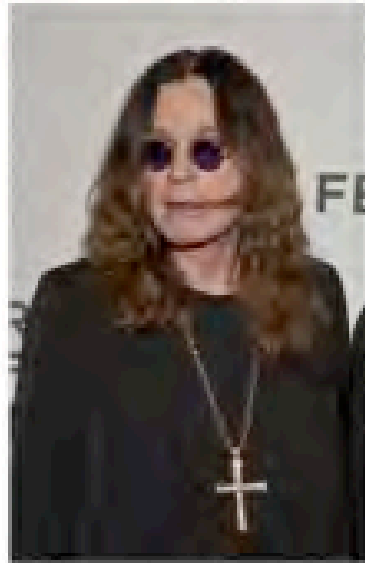


Customer Segments



Limitations of Demographics

Behavior and needs can vary significantly within segments



Ozzy Osbourne

- ▶ Male
- ▶ Born in 1948
- ▶ Grew up in England
- ▶ 2 Children



Prince Charles

- ▶ Very Wealthy
- ▶ Successful in Business
- ▶ Married for the Second Time
- ▶ Real Estate Owner
- ▶ Spends Winter Vacation in the Alps
- ▶ Likes Dogs

Demographics

Age / Gender

Race

Location

Employment Status

Psychographics

Personality

Values

Attitudes

Interests

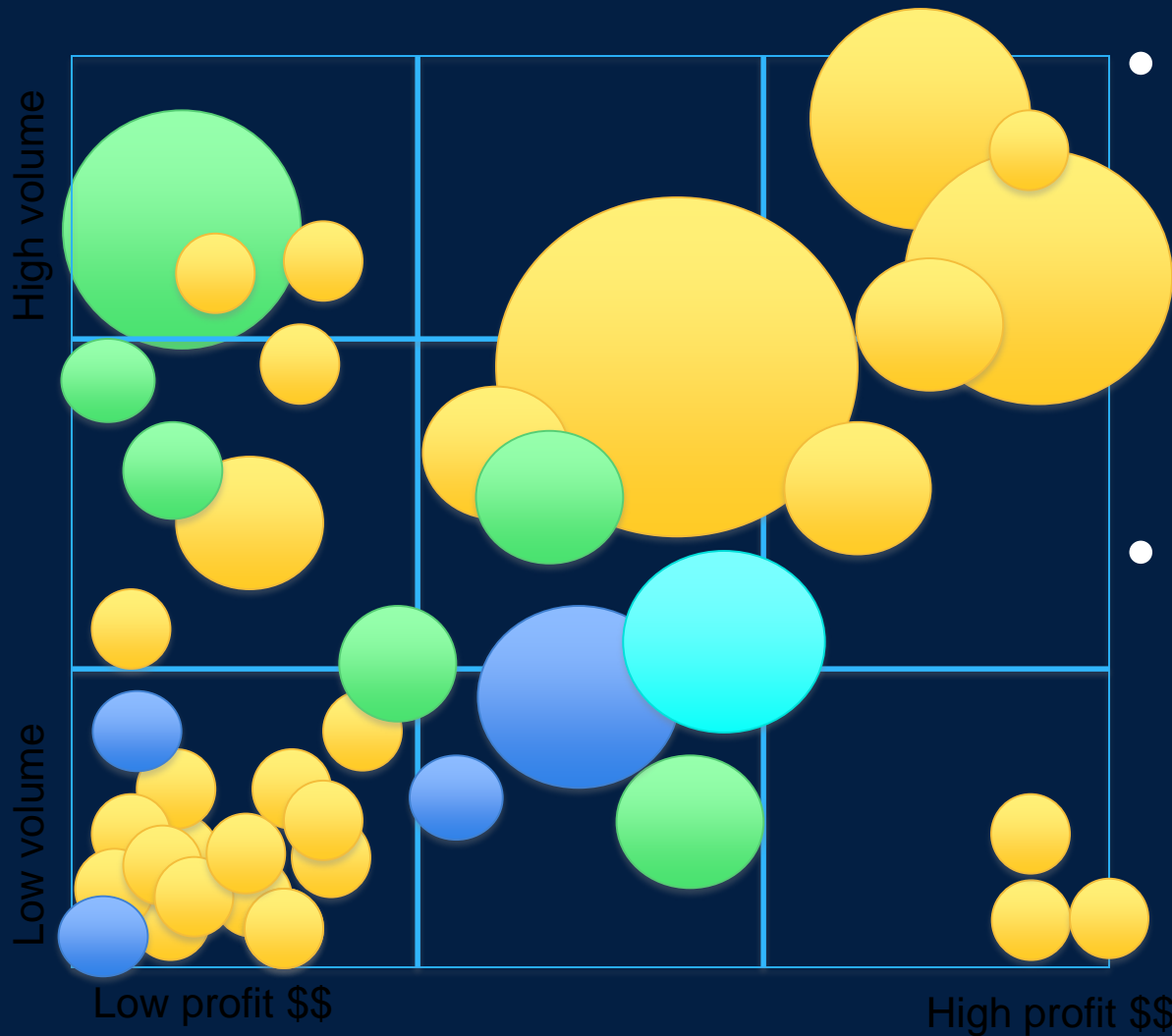
Lifestyles

Know Your Numbers

- What do your customers value?
- What are they paying for now?
- Is there more demand than supply?
- What is your current revenue model?
- Variable Costs vs Overhead



Rationalization



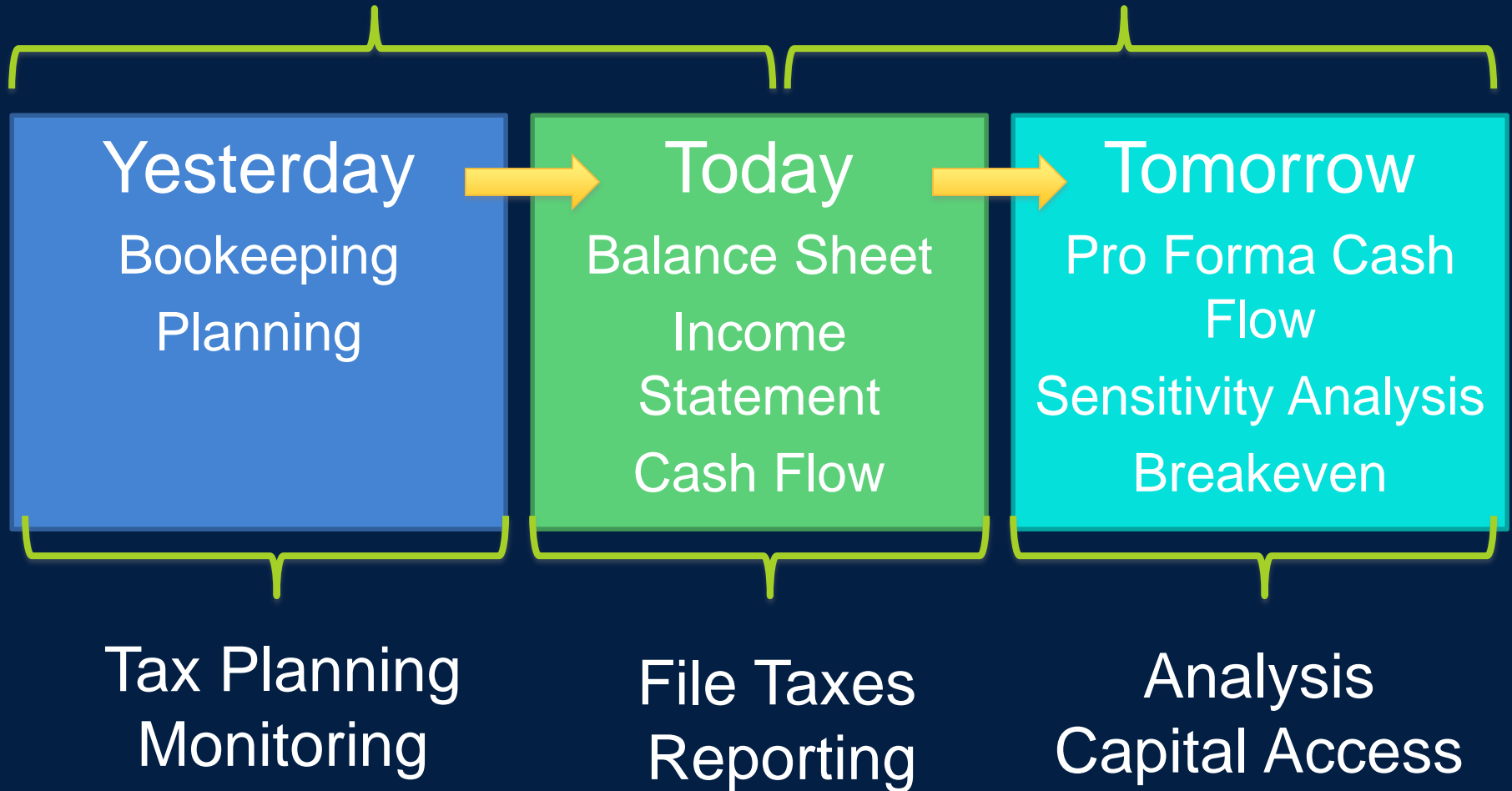
- Analyze product / customer mix relative to profitability and operating impact
- ID Your Cash Cow

Know your
Cash Cows!



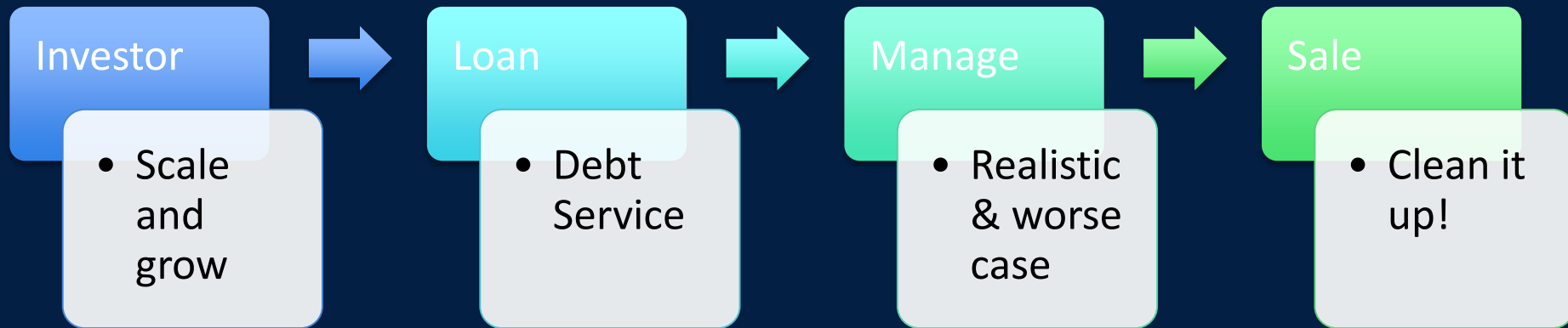
Accounting

Finance



Business Planning & Pro Forma Projections

- Keep fixed costs low
- Know your key costs & revenue drivers
- Know your market share



Goldilocks Rule

Be Realistic...

Document your assumptions

...Hope is not a strategy







Time

What's the best use of your time

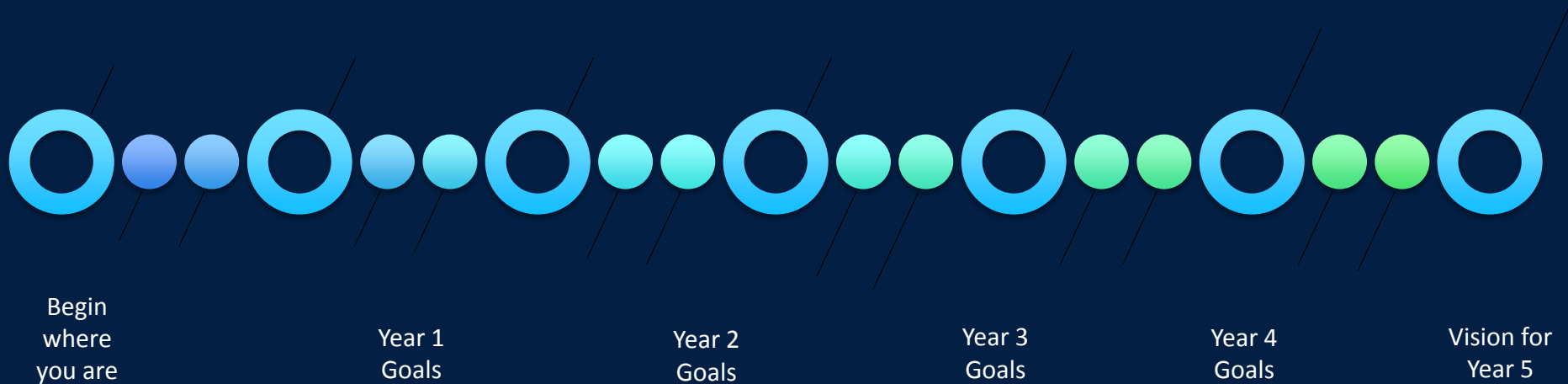


Where is the best return on your money

Money



5 Year Vision



Instructions:

Draft your vision

Document where you are starting from right now

Work backwards year by year and identify milestones/goals to bridge your starting point

Questions?

Kristin York

Director of Business Innovation

Sierra Business Council

Small Business Development Center

520.582.5022