

Preparing a Food Processing Business Plan

If you are serious about starting a business, you should develop a business plan. Business plans provide a road map for where a business is headed. Crafting a business plan will help you, as the business owner, to consider each step involved in running a business and to better prepare for what is coming your way. Business plans have proven beneficial for any size enterprise. Entrepreneurs with a business plan have an advantage over those who do not, and are often more successful in the competitive world of specialty food.

What is a business plan?

A business plan is a document that establishes the key functional areas of a business, including operations, management, finance, and marketing. The goals of the business and the plans that have been decided upon to reach those goals are included in the plan. The business plan should be re-visited regularly to keep the business on track as well as allow the business to evolve in the right direction according to the business plan creators. It outlines a business's strengths, weaknesses, opportunities, and threats.

Why do I need a business plan?

There are two main reasons to have a business plan. One is to assist the entrepreneur in planning and developing a business. The other reason is to demonstrate the feasibility and potential profitability to potential investors, lenders, and other outside audiences. Potential funders often require a business plan and the business plan serves as the basis for loan proposals.

What should a business plan include?

The key elements of successful business plans commonly include:

- A Cover Page
- Executive Summary
- Business Goals and Objectives
- Project Description
- The Industry, the Company, and its Products
- Market Research and Analysis
- Marketing Plan
- Operating Plan
- Management Team
- The Financial Plan

As a food processor, what should be included in my business plan?

Be sure to include:

- Ingredients used and supplies
- A plan for storage of supplies, equipment, and finished products
- Workspace layout and production flow
- Product transportation plan
- A list of potential locations to sell your product (farmer's market, grocery store, etc.)

This sounds complicated. Where can I get help?

There are a number of resources for you while you develop your business plans. Some places to start include:

Virginia Department of Business Assistance – Promotes economic growth by helping Virginia businesses prosper. Information for start-up businesses can be found at http://www.dba.virginia.gov/starting_business.shtml. The Virginia Business Information Center has a website designed to ask you a few questions and respond with relevant information for completing licenses, permits and registrations you need, plus suggest resources that can help. This resource can be found at <http://bos.virginia.gov/>

Virginia Small Business Development Centers –Provides professional business counseling, training and information resources to help grow and strengthen Virginia businesses. SBDC Counselors, at locations across Virginia, provide a certain amount of free assistance to entrepreneurs, focusing on business and financial plan development. Their websites can be found at www.virginiاسبdc.org.

SCORE –Provides counseling to help start-up a new business, secure financing or operate, manage and/or expand an existing business. This is a free service utilizing experience entrepreneurs trained to work with you. More information can be found on their website www.score.org.

VT KnowledgeWorks –Provides confidential strategic planning and business development assistance focused on helping a business plan, launch, and grow. They can help with market analysis and business expansion plans at lower than market cost. This service is aimed for entrepreneurs who are beyond the start-up phase of their business. Their website is located at www.vtknowledgeworks.com.

Virginia Cooperative Extension – There is a VCE office in each county in Virginia. Your local extension office can connect you to resources that can help with your business planning or technical needs, and may connect you with faculty members at Virginia Tech or Virginia State University. There are also a number of VCE publications available for download at www.ext.vt.edu.

Small Business Administration - Offers an on-line guide for writing a business plan at <http://app1.sba.gov/training/sbabp/index.htm>.

For more detailed information on business planning and starting a small business, visit the publication “**Question and Answer Guide for Starting and Growing your Small Business**” available at http://pubs.ext.vt.edu/310/310-100/310-100_pdf.pdf