Show Me the Money

Business Planning for Farmer Markets

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Farmers’ Market—

A business of businesses
Why plan for “the money” (profitability)?

• vendors
• customers
• community
If you don’t know where you are going...
A Business Plan describes:

- Who you are;
- Who your market and competition is;
- What you’re going to do;
- How you’re going to do it; and
- How you will pay for it
Why Write a Business Plan?

• Make decisions
• Focus efforts
• Maximize resources
• Commit to a marketing strategy
• Anticipate and avoid obstacles
Why Write a Business Plan?

• Set goals
• Determine direction
• Attract funding
• Gain buy-in and support
The purpose of a business plan is …

• to have a successful Farmers’ Market
• to plan for profitability
Who does the planning

- Board
- Vendors
- Manager

Often with advisory support
Factors in Success

- Concept
- Market
- Management
- Finances
- Communication
Factors of Success

- Ability to Attract, Motivate and Retain Vendors, Customers, Manager, Board
- Financial Control
- Anticipate and Adapt to Change
- Values and Integrity
Elements of the Business Plan

- Executive Summary
- Description
- Target Market
- Marketing Plan
- Competition
- Strategic Position & Risk Assessment
- Operations
- Management & Organization
- Goals and Action Plan
- Pro Forma Financials
- Appendix
Executive Summary

- The most important part of your business plan.
- Includes the conclusion or highlights of each section.
- Write the executive summary last.
Description

- Name
- Legal Form
- Mission Statement
- Goals and Objectives
- Products and Services
- Management and Leadership
- Location
- Stage of Development
- Ownership Structure
Target Market

• Customers and vendors
• Define Your Market
  – What’s the size of your market?
  – Who is your market? Why?
  – Where is your market?
• Evaluate Trends
• Identify Strategic Opportunities
Marketing Plan

- Defines the target customer
- Appeals to needs/interests
- Positions the Market and its vendors
- Sets sales and traffic goals
- Makes the connection
  - How will you reach your customers?
  - What is your message?
  - How will you deliver your message?
Competition

• Who are your major competitors?
• On what basis do you compete?
• How do you compare?
• Who are your potential future competitors?
Strategic Position & Risk Assessment

- How are you distinct?
- What business are you really in?
- S.W.O.T. Analysis
  - Strengths
  - Weaknesses
  - Opportunities
  - Threats
Operations

• How will you run your market?
  – During the season?
  – Off season

• What are the essential parts & functions?
  – Facilities
  – Vendor relations
  – Financial Control
  – Contingency Planning
  – Regulatory, environmental
Management & Organization

- Who runs the market?
- What qualifications?
- Compensation and incentives?
- Recruitment? Retention?
- What is your management structure?
  - Roles, responsibilities and lines of authority?
Goals and Action Plan

• Where do you want to be in 3-5 years?
• Strategy for getting there?
• Priorities?
• Actions?
• Resources?
Financials - Projections

- Your business plan expressed in $$
- Types
  - Income Statement
  - Cash-Flow Projections
  - Balance Sheet
  - Other
    - Sources and Uses of Funds
    - Break-even Analysis
    - Start-up Costs
    - Assumptions
Appendix

Items that reinforce or support the business plan:

- Resumes (board, manager)
- Vendors (farm descriptions and products)
- Marketing materials
- Photos
- Letters of support or key supporters
- Endorsements
- Market Research Results
Where to get help?

- Small Business Development Centers
- Main Street
- Cooperative Extension
- Business planning guides
- Universities and colleges
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Go to www.cdi.coop for more information.