



Planning

Developing Management Skills Program and Agriculture by Choice Program

How to Apply for Funding for Planning

Eligible Activities:

Activities that assist eligible applicants undertake, develop, and implement formal plans or analysis for their operation, which may include financial, business, marketing, human resource management, diversification, value added or succession plans.

(Prior to approval of a value added plan, a positive feasibility study must be completed. Both the feasibility study and the value added plan are eligible activities.)

Eligible Costs and Level of Assistance:

Assistance for eligible applicants over the life of the program may be up to:

- 50% of the eligible cost [60% for Beginning Farmer (BF)] of developing and implementing a formal financial, business, marketing, human resource management or diversification plan, to a maximum contribution of \$5,000 per applicant (\$6,000 for BF); up to \$10,000 for 2 applicants; or up to \$15,000 for a group of 3 applicants or more.
- 50% of the eligible cost (60% for BF) of developing and implementing a Succession Plan, to a maximum contribution of \$10,000 (\$12,000 for BF).
- 50% of the eligible cost (60% for BF) of developing and implementing a value added business plan (and/or a value added feasibility study), to a maximum contribution of \$10,000 (\$12,000 for BF) per applicant; up to \$15,000 for two applicants; or up to \$20,000 for a group of three applicants or more).
- Individual applicants who have completed the Business Management Self Assessment activity and have an approved Action Plan for their business, are eligible for 60% (70% for BF) contribution to their approved planning activity to a maximum contribution of \$6,000 for a formal business, marketing, human resource or diversification plan, and \$12,000 (\$14,000 for BF) for a succession plan or a value added plan.

Eligible costs include professional fees and services related to development and implementation of plans or feasibility studies, and other costs approved by the Department

of Agriculture, Aquaculture and Fisheries (DAAF) which are considered essential for the successful completion of the project. Agricultural organizations and commodity groups are considered individuals under this planning component.

Please refer to Appendix 1 on page 3 for General Planning, Appendix 2 on page 8 for Succession Planning and Appendix 3 on Page 12 for Value Added Planning.

How to Apply for Funding for General Planning

Steps to Participate in the Program and Complete a Plan:

1. Producer selects a consultant to assist in the development of the plan.
2. Consultant prepares a proposal (**see next page) to the satisfaction of the producer, which includes Statement of Work to be conducted, start and end dates for the project, deliverables, and the cost breakdown.
3. Producer submits application form, proposal from the consultant, consultant résumé and Conflict of Interest Declaration (signed by consultant and producer) to Department of Agriculture, Aquaculture and Fisheries (DAAF), PO Box 6000, Fredericton N.B. E3B 5H1; any Regional Office or by email to GFCA.ADMIN@gnb.ca.
4. Proposal reviewed and approved in writing by DAAF and producer informed when they can have consultant start work.
5. Producer signs a letter of engagement (or contract) with consultant.
6. Consultant works with the producer to develop the plan.
7. Consultant reviews final report with producer.
8. Producer confirms that final report fulfills the agreed to contract.
9. Report is reviewed by DAAF to ensure it meets the minimum deliverables and contract.
10. Producer pays consultant and submits paid invoice and copy of report to DAAF.
11. DAAF pays producer for approved eligible costs incurred.

Please also refer to Appendix 4, *Choosing a Consultant* and Appendix 5, *Conflict of Interest Guidelines for Consultants*.

**You must submit with your application a proposal from the selected consultant that addresses the elements of a plan, which includes the following main headings and analysis:

- business overview
- strategic plan
- industry and market analysis
- marketing
- operations
- human resources
- financial
- environmental
- risk management
- action plan
- supporting documents

Note – not all elements will be applicable in every business plan at any given time. In cases where a heading is not applicable, please include the heading, and an explanation it is not applicable. Additional headings may be added.

Please be sure to share the above information with your consultant before he or she prepares the proposal.

Sample Content of a Financial Analysis, Action, Business, Marketing, Human Resource Management or Diversification Plan

The following information may serve as a guide to complete the plan:

1. **Business overview:**

Cover page:

- Provide the business/client name, address, telephone, and fax numbers.
- Explain the time period for the business plan, and provide the preparation date.
- Provide a list of key contacts, including the consultant who prepared the plan.

Table of contents:

- List chapter headings of the plan for reader reference and convenience.

Executive summary:

- Provide a one to two page summary that describes the overall plan and highlights the action points.
- Include information on the purpose of the business, the market, unique advantages, financial highlights, management strengths, and purpose of the plan.

Purpose of plan:

- Provide an outline of why the plan has been developed (e.g., to obtain financing, attract equity capital, enter a new market, diversify the business, start a new business, expand an existing business, or assist in succession).

Business description:

- List all aspects of the current and proposed state of the business, including business history and major events impacting business.
- Provide information on legal structure, type, and size of enterprise, as well as any physical resources available to the business.

Management description:

- Describe the management team, their skills, and how skill gaps will be filled.
- Provide information on professionals assisting the business.

2. Strategic plan:

- Identify the long-term view of the business.
- Outline business strengths, weaknesses, opportunities, and threats.
- Outline the business and what it is doing (mission).
- Outline where you want the business to be 5 to 10 years from now (vision).
- Outline the steps to get there (strategies and goals).
- Identify key performance indicators (objectives, their measurement, and follow-up).

3. Industry and market analysis:

- Identify the characteristics of the industry and the markets.
- Describe the industry and its history, its size, and major players.
- Describe long and short-term trends and seasonal factors affecting the industry.
- Outline the impact of economic, social, technological, and political change, and any other significant factors that could have an influence on the business within the industry.
- Describe food safety, quality, and traceability issues and related regulations.
- Identify customer needs not being met, and potential sales.
- Identify critical success factors for the industry.

4. Marketing:

- Explain how you expect to market your production, considering the five Ps: product, place, price, promotion, and people.
- Provide information on the target market, including established and potential market opportunities or niche markets, customer characteristics and demographics, customer segmentation, market performance, growth trends, factors affecting purchaser decisions, and market geographic area.
- Describe the competition, including the number of competitors, their strengths and weaknesses, their costs and prices, potential competitor reaction to new market entry, the potential for substitutes, and barriers to entry.
- Describe the product/service being offered, its selling features, key product attributes, differentiating factors and quality, storage life, selling arrangements, contracts, potential alliances, service policies, and warranties.
- Describe how the product will be distributed (e.g., direct marketing, wholesaler, Website, sales representative).
- Provide information on packaging, labeling, storage, controls, inventories, delivery guarantees, and return policy.
- Outline the advertising and promotion strategy to support the sales and profit objectives, cost/benefit of the strategy including product/service testing, advertising, how advertising will be generated for the business, and promotion budget.

- Describe how product/service price is established, warranties/ guarantees, discounts/incentives, contribution margin, and break-even price.
- Outline licensing and permit requirements.
- Explain your state of export readiness (if appropriate).

5. Operations:

- Outline the production capacity of the business: for farms, include buildings, machinery, livestock, and land; for value added businesses, describe plant and its capacity.
- Outline standardized quality-management systems, such as HACCP and ISO.
- Outline how the everyday activities will be managed, including supplier and production contracts, inventories, quality-control measures, production targets, distribution, and the regulatory environment.

6. Human resources:

- Outline the people required to operate the business, their skills, their availability, and any training programs needed or in place.
- Describe any human-resource issues facing the business, and how they will be addressed.
- Summarize attraction, retention, and compensation strategies.

7. Financial:

- Identify the financial requirements and projections to implement the plan.
- Outline business assumptions on which the financial plan is based, including quantities sold, price, cost of goods sold, operating expenses, salaries, interest rates, depreciation, income taxes, and regulatory costs.
- Provide past, present, and future (three- to five-year horizon) balance sheets, income statements, source and application of funds, and ratio analysis.
- Provide a cash-flow statement, a break-even analysis, and an expenditure plan, including start-up costs as appropriate.
- Provide a financing schedule, including source of capital (family or external), amount, timing, type, and terms.
- Provide an exit strategy for equity capital.
- Provide a most likely scenario and a sensitivity analysis.

8. Environmental:

- Outline environmental concerns, how they will be addressed, and at what cost.
- Outline the environmental approvals that are required for the business, and when they will be obtained.
- Describe the strategies in place, such as insurance and disaster plans, to prevent environmental disaster.
- Describe consultation and community support for business and business-site selection.

9. Risk management:

- Identify the risks inherent in the business, and outline plans to manage these risks.
- Describe all risk factors (e.g., regulatory, legal, environmental, political), and how these risks will be mitigated.
- Identify any tax implications
- Prepare a risk assessment, including insurance considerations.
- Address production, marketing, export, vendor, legal, environmental, human-resource (death/disability), and financial risks, as well as the possible impact of government policy.
- Describe management's tolerance/aversion to risk.
- Outline contingency and disaster plans, where needed.

10. Action plan:

- Explain the targets and timetables for implementing the plan.
- Outline key dates, and explain who will be doing what to meet target dates.
- Identify key performance targets and ensure a process for follow-up (if construction is involved, outline critical dates and commissioning plans).
- As required, identify accountability for action plans related to production, financing, human resources, marketing.
- Outline accountability for plan monitoring and the timing of reports.

11. Supporting documents:

Include documents that support the plan, such as:

- ownership arrangements
- organizational chart
- job descriptions and résumés of critical staff
- individual net worth, credit reports and references
- tables and charts
- contracts, leases, letter of intent
- environmental reports and permits
- production contracts and product specifications
- detailed list of assets
- property appraisals, insurance documents
- feasibility analysis and specific research

How to Apply for Funding for Succession Plans

Steps to Participate in the Program and Complete a Succession Plan:

1. Producer selects a consultant to assist in the development of the plan.
2. Consultant prepares a proposal (**see next page) to the satisfaction of the producer, which includes Statement of Work to be conducted, start and end dates for the project, deliverables, and the cost breakdown.
3. Producer submits application form, proposal from the consultant, consultant résumé and Conflict of Interest Declaration (signed by consultant and producer) to Department of Agriculture, Aquaculture and Fisheries (DAAF), PO Box 6000, Fredericton N.B. E3B 5H1; any Regional Office or by email to GFCA.ADMIN@gnb.ca.
4. Proposal reviewed and approved in writing by DAAF and producer informed when they can have consultant start work.
5. Producer signs a letter of engagement (or contract) with consultant.
6. Consultant works with the producer to develop the succession plan.
7. Consultant reviews final report with producer.
8. Producer confirms that final report fulfills the agreed to contract.
9. Report is reviewed by DAAF to ensure it meets the minimum deliverables and contract.
10. Producer pays consultant and submits paid invoice and copy of report to DAAF.
11. DAAF pays producer for approved eligible costs incurred.

Please also refer to Appendix 4, *Choosing a Consultant* and Appendix 5, *Conflict of Interest Guidelines for Consultants*

**You must submit with your application a proposal from the selected consultant that addresses the elements of a succession plan, which includes the following headings and analysis:

- business overview
- description of business, personal goals and expectations
- retirement plan
- training and development plan for successor
- farm business plan
- operating plan
- management, control, and labour transfer plan
- ownership transfer plan
- implementation timetable
- communications plan
- contingency plan

Note – not all elements will be applicable in every succession plan. In cases where a heading is not applicable, please include the heading, and an explanation it is not applicable. Additional headings may be added.

Please be sure to share the above information with your consultant before he or she prepares the proposal.

Sample Content of the Succession Plan

The following information may serve as a guide to plan and complete the succession plan.

1. Business overview:

Cover/summary page:

- Provide the business/client names (retirees, successors and non-farming members), addresses, and telephone and fax numbers.
- Provide a list of key contacts, including the consultant who prepared the plan.

Table of contents:

- List the major chapters of the plan for reader reference and convenience.

Executive summary:

- Provide a summary that describes the overall plan and highlights the action points on which the family must act to implement the plan.

Description of the farm business:

- Provide an outline and description of the current farm business, including what is produced, where it is located, who is involved, and the type of business arrangements (e.g., partnership, corporation, joint venture).

2. Description of business, personal goals, and expectations:

- Provide an outline and description of the goals and expectation of both the “founders/retirees” and the “successors,” with specific reference to the farm business and to their own personal aspirations.

3. Retirement plan:

- Provide an outline of what is going to happen in retirement, and how it will be financed (i.e., goals, expectations, and desired activities for retirees, including how the “founders/retirees” will or will not be involved in the farm business in the future).
- Provide the address where everyone is going to live.
- Include a financial plan outlining where money will come from and how it will be spent, both for annual living and relocation (if necessary).
- Explain any retirement-income planning (e.g., RRSPs, RRIFs, CPP, OAS).

4. Training and development plan for successor:

- Outline what skills are needed to successfully manage the farm, and how they will be obtained.
- Provide a skills profile for a fully qualified farm manager.
- Provide a skills profile for the successor.
- Identify skill gaps and an action plan on how they will be met (e.g., hiring to fill gaps, additional training) - if both generations are staying involved, having them attend the same training courses could be beneficial.
- Provide an outline of a performance review process and mechanism to provide the “successor” with feedback on progress.

5. Farm business plan:

- Provide an outline of how the farm business will meet the needs of both the successor(s) and retiree(s).
- Analyze the current farm business (if necessary).
- Outline the plan for the future direction of the farm business (e.g., maintenance, contraction, expansion, diversification, value-added), and provide a description of how this will affect the business, along with projected financial statements.

6. Operating plan:

- Provide an outline of how everyday activities will be managed.
- List roles, responsibilities, and authorities for managing the business on a daily basis.
- Explain if it will be a multi-generational farm with two or three generations co-operating, and/or how it will change over time.
- Provide a description and plan regarding family business meetings to discuss such issues as the progress of the transfer process, and necessary changes (e.g., how they will function, who is responsible for what and where it will take place, the involvement of non-farming family members, what they will and will not have a voice in, and how they will be involved) - the end product will be a "user's" manual.

7. Management, control, and labour transfer plan:

- Provide an outline of how the transfer of labour and management will take place, including a timetable for transition to the successor(s).

8. Ownership transfer plan:

- Provide an outline of how the farm business is currently structured (referenced back to the description of the farm business) and how this will be changed during the transfer process.
- Explain how the transfer of ownership of the assets will be handled.
- Include an inventory and valuation of assets and liabilities.

- Identify what the business arrangement is going to be (e.g., sole proprietorship, corporation, partnership).
- Identify the transfer mechanism (e.g., purchase, gift, rental).
- Discuss value of prenuptial agreement - include with supporting documentation if one has previously been done.
- Explain the tax implications and how to address them.
- Explain the financing required, and its sources.
- Explain the treatment of non-farming children.
- Outline the insurance requirements (e.g., death, disability).
- If required, provide a copy of the will to the consultant or an overall description of the intent to assist with ownership transfer plan.
- Provide a description of any other legal agreements (e.g., employment contracts, partnership agreements, shareholder agreements, buy-sell agreements).

9. Implementation timetable:

- Provide a summary of the overall timetable for when key activities start and finish - include time frames that allow progress to be monitored, measured, and amended if necessary.

10. Communications plan:

- Define the process by which the family communicates and makes decisions (e.g., regularly scheduled family meetings).
- Determine how disputes and conflict will be managed and resolved (e.g., family voting, third-party mediation assistance).

11. Contingency plan:

- Explain what will happen and who will ensure implementation in such situations as death, illness, divorce, disability, business downturn, or failure.

How to Apply for Funding for Value-Added Plans

Steps to Participate in the Program and Complete a Value-added Feasibility Study and a Value-Added Business Plan:

1. Producer selects consultant to assist in the development of the value-added feasibility study and value-added business plan.
2. Consultant prepares a proposal (**see next page) to the satisfaction of the producer, which includes Statement of Work to be conducted, start and end dates for the project, deliverables, and the cost breakdown.
3. Producer submits application form, proposal from the consultant, consultant résumé and Conflict of Interest Declaration (signed by consultant and producer) to Department of Agriculture, Aquaculture and Fisheries (DAAF), PO Box 6000, Fredericton N.B. E3B 5H1; any Regional Office or by email to GFCA.ADMIN@gnb.ca.
4. Proposal reviewed and approved in writing by DAAF and producer informed when they can have consultant start work on value-added feasibility study.
5. Producer signs a letter of engagement (or contract) with consultant.

Please note – if a positive completed feasibility study has already been completed outside of this program, to the written satisfaction of the DAAF, proceed directly to step number 12.

6. Consultant works with the producer to develop the value-added feasibility study.
7. Consultant reviews final feasibility study with producer.
8. Producer confirms that final report fulfills the agreed to statement of work as it relates to the feasibility study.
9. Report is reviewed by DAAF to ensure it meets the minimum deliverables and statement of work
10. Producer pays consultant for value-added feasibility study and submits paid invoice and copy of report to DAAF.
11. DAAF pays producer for approved eligible costs incurred for the feasibility study.
12. Producer is informed in writing by DAAF that they can have consultant start work on value-added business plan (conditional on positive value-added feasibility study).
13. Consultant works with the producer to develop the value-added business plan.
14. Consultant reviews final value-added business plan with producer.
15. Producer confirms that final report fulfills the agreed to contract.
16. Report is reviewed by DAAF to ensure it meets the minimum deliverables and statement of work. Producer pays consultant and submits paid invoice and copy of report to DAAF.
17. DAAF pays producer for approved eligible costs incurred for value-added plan.

Please also refer to Appendix 4, *Choosing a Consultant* and Appendix 5, *Conflict of Interest Guidelines for Consultants*.

****You must submit with your application a proposal from the selected consultant that addresses the elements of a value-added feasibility study and a value-added business plan, which includes the following headings and analysis:**

Elements of the feasibility study:

- executive summary
- description of proposed venture
- market/demand analysis
- production/technical analysis
- profitability analysis
- cost and break-even analysis
- cash flow analysis
- capital requirements
- management and human resources assessment
- assessing the investment
- recommendations

Elements of the business plan for value-added enterprises:

(To obtain funding for a business plan, a feasibility assessment must first be approved by DAAF. The analysis and recommendation of the feasibility assessment are usually incorporated into the business plan for a value-added enterprise.)

- business overview
- strategic plan
- industry and market analysis
- marketing
- operations
- human resources
- financial
- environmental
- risk management
- action plan
- supporting documents

Note – not all elements will be applicable in every study or plan. In cases where a heading is not applicable, please include the heading, and an explanation it is not applicable. Additional headings may be added.

Please be sure to share the above information with your consultant before he or she prepares the proposal.

Sample content of value-added feasibility studies and business plans are found below.

Elements of feasibility studies:

1. Executive summary:

- Summarize the proposed project.
- Provide a rationale for conducting the feasibility study.
- Explain the focus of the study.
- Provide a profitability analysis.
- List the important considerations.
- Provide final recommendations.

2. Description of the proposed venture:

- Provide details about the proposed project, its short and long term objectives, and its anticipated economic benefits.
- Include a clear statement of what the farm or agribusiness wants to do and why.
- Explain the focus of the study (market or operational aspects, or both).

3. Market/demand analysis:

- Give detailed estimates of market size/potential.
- Identify main customers/target market.
- Provide an assessment of competitors.
- Include the short and long-term outlook for the current market.
- Describe the trends affecting the market.
- Identify how the market needs will be served.
- Explain any distance from market/transportation considerations (if any).
- Explain the methods of promotion and distribution.

4. Production/technical analysis:

- Analyze all of the factors involved in processing the product until the time it leaves the farm or business owner's control (factors include the availability of required inputs, assurance of future input supply, minimum facility requirements (land, equipment, storage needs and capacity, buildings), adequate labour supply, and legal constraints on the business).
- Identify environmental and regulatory requirements and their associated risks.
- Conduct risk assessment, including insurance considerations.

5. Profitability analysis:

- Develop assumptions from the market/demand analysis and the production/technical analysis, including eligibility for tax credits (assumptions include sales and price forecasts and costs of operations according to fixed and variable costs).

- Develop *pro forma* income statements and balance sheets to gauge the future growth potential and assess financial performance (income projections should cover the next one to five years).
 - Analyze strengths, weaknesses, opportunities, and threats (SWOT), particularly the implications of economic, social, technological, environmental, policy, or regulatory change.
- 6. Cost and break-even analysis:**
- Analyze fixed costs (e.g., rent, interest, insurance) and variable costs (e.g., direct labour, fertilizer, fuel).
 - Estimate client's break-even level (determine required sales per day, month, or year to be profitable).
 - Calculate the break-even production levels and the contribution margin (i.e., sale price minus variable cost).
- 7. Cash-flow analysis:**
- Compare cash-flow projections with available funds.
 - Analyze cash-flow requirements.
- 8. Capital requirements:**
- Identify capital sources, including long-term debt and operating line of credit, and equity. (This section highlights the amount of capital required, the financing requirements and under what terms and conditions, security available, and what repayment strategies and exit strategies will be employed if the plan projections do not materialize).
- 9. Management and human-resources assessment:**
- Identify the proposed business owners and managers and their roles.
 - Assess their management capability and experience.
 - Provide information on professionals assisting the business.
 - Assess labour-market considerations and constraints.
- 10. Assessing the investment:**
- Provide an assessment of the risks in the sales and costs forecasts, and thus in the expected income stream.
 - Assess the value of the income stream relative to the capital investment required (i.e., is the venture economically feasible?).
- 11. Recommendations:**
- Consider all information and alternatives to determine the feasibility of the project.
 - Provide a rationale to substantiate the recommendation on whether to proceed with developing a comprehensive business plan for the proposed project.

Elements of Planning for Value Added Business plans:

Once the decision is made to proceed with a value-added agricultural enterprise, the next step is to develop a business plan. The business plan is a road map for operating the value-added enterprise, and for measuring progress along the way. The business plan's contents will draw substantively on the information used in the feasibility study. The plan will document where the enterprise is expected to be three to five years from now, and how you plan to take it there.

1. Business overview:

Cover page:

- Provide the business/client name, address, telephone, and fax numbers.
- Explain the time period for business plan, and provide the preparation date.
- Provide a list of key contacts, including the consultant who prepared the plan.

Table of contents:

- List chapter headings of the plan for reader reference and convenience.

Executive summary:

- Provide a one- to two-page summary that describes the overall plan and highlights the action points.
- Include information on the purpose of the business, the market, unique advantages, financial highlights, management strengths, and purpose of the plan.

Purpose of plan:

- Provide an outline of why the plan has been developed (e.g., to obtain financing, attract equity capital, enter a new market, diversify the business, start a new business, or expand an existing business).

Business description:

- List all aspects of the current and proposed state of the business, including business history and major events impacting business.
- Provide information on legal structure, type, and size of enterprise, as well as any physical resources available to the business.

Management description:

- Describe the management team, their skills, and how skill gaps will be filled.
- Provide information on professionals assisting the business.

2. Strategic plan:

- Identify the long-term view of the business.
- Outline business strengths, weaknesses, opportunities, and threats.

- Outline the business and what it is doing (mission).
- Outline where you want the business to be 5 to 10 years from now (vision).
- Outline the steps to get there (strategies and goals).
- Identify key performance indicators (objectives, their measurement, and follow-up).

3. Industry and market analysis:

- Identify the characteristics of the industry and the markets.
- Describe the industry and its history, its size, and major players.
- Describe long and short-term trends and seasonal factors affecting the industry.
- Outline the impact of economic, social, technological, and political change, and any other significant factors that could have an influence on the business within the industry.
- Describe food safety, quality, and traceability issues and related regulations.
- Identify customer needs not being met, and potential sales.
- Identify critical success factors for the industry.

4. Marketing:

- Explain how you expect to market your production, considering the five Ps: product, place, price, promotion, and people.
- Provide information on the target market, including established and potential market opportunities or niche markets, customer characteristics and demographics, customer segmentation, market performance, growth trends, factors affecting purchaser decisions, and market geographic area.
- Describe the competition, including the number of competitors, their strengths and weaknesses, their costs and prices, potential competitor reaction to new market entry, the potential for substitutes, and barriers to entry.
- Describe the product/service being offered, its selling features, key product attributes, differentiating factors and quality, storage life, selling arrangements, contracts, potential alliances, service policies, and warranties.
- Describe how the product will be distributed (e.g., direct marketing, wholesaler, Web site, sales representative).
- Provide information on packaging, labeling, storage, controls, inventories, delivery guarantees, and return policy.
- Outline the advertising and promotion strategy to support the sales and profit objectives, cost/benefit of the strategy including product/service testing, advertising, how advertising will be generated for the business, and promotion budget.
- Describe how product/service price is established, warranties/guarantees, discounts/incentives, contribution margin, and breakeven price.
- Outline licensing and permit requirements.
- Explain your state of export readiness (if appropriate).

5. Operations:

- Outline the production capacity of the business: for farms, include buildings, machinery, livestock, and land; for value added businesses, describe plant and its capacity.
- Outline standardized quality-management systems, such as HACCP and ISO.
- Outline how the everyday activities will be managed, including supplier and production contracts, inventories, quality-control measures, production targets, distribution, and the regulatory environment.

6. Human resources:

- Outline the people required to operate the business, their skills, their availability, and any training programs needed or in place.
- Describe any human resource issues facing the business, and how they will be addressed.
- Summarize attraction, retention, and compensation strategies.

7. Financial:

- Identify the financial requirements and projections to implement the plan.
- Outline business assumptions on which the financial plan is based, including quantities sold, price, cost of goods sold, operating expenses, salaries, interest rates, depreciation, income taxes, and regulatory costs.
- Provide past, present, and future (three- to five-year horizon) balance sheets, income statements, source and application of funds, and ratio analysis.
- Provide a cash-flow statement, a break-even analysis, and an expenditure plan, including start-up costs as appropriate.
- Provide a financing schedule, including source of capital (family or external), amount, timing, type, and terms.
- Provide an exit strategy for equity capital.
- Provide a most likely scenario and a sensitivity analysis.

8. Environmental:

- Outline environmental concerns, how they will be addressed, and at what cost.
- Outline the environmental approvals that are required for the business, and when they will be obtained.
- Describe the strategies in place, such as insurance and disaster plans, to prevent environmental disaster.
- Describe consultation and community support for business and business-site selection.

9. Risk management:

- Identify the risks inherent in the business, and outline plans to manage these risks.

- Describe all risk factors (e.g., regulatory, legal, environmental, political), and how these risks will be mitigated.
- Identify any tax implications (e.g., reclassification from municipal farm tax to commercial tax).
- Prepare a risk assessment, including insurance considerations.
- Address production, marketing, export, vendor, legal, environmental, human-resource (death/disability), and financial risks, as well as the possible impact of government policy.
- Describe management's tolerance/aversion to risk.
- Outline contingency and disaster plans, where needed.

10. Action plan:

- Explain the targets and timetables for implementing the plan.
- Outline key dates, and explain who will be doing what to meet target dates.
- Identify key performance targets and ensure a process for follow up (if construction is involved, outline critical dates and commissioning plans).
- As required, identify accountability for action plans related to production, financing, human resources, marketing.
- Outline accountability for plan monitoring and the timing of reports.

11. Supporting documents:

Include documents that support the business plan, such as:

- ownership arrangements
- organizational chart
- job descriptions and résumés of critical staff
- individual net worth, credit reports and references
- tables and charts
- contracts, leases
- environmental reports and permits
- production contracts and product specifications
- detailed list of assets
- property appraisals, insurance documents
- feasibility analysis and specific research
- letters of intent