

Tip Sheet

Business Planning

In a recent blog, posted on the U.S. Small Business Administration website, Tim Berry identified 10 benefits of creating a business plan. It is important to note that business plans are not just for start-ups. Here's why.

- The plan lets you view the entire business. If done properly, the plan should align all facets of the business from production to sales and marketing to financing.
- The plan should give you a strategic focus. Clearly map out where you want to go.
- Set priorities for how you allocate your resources, time, effort and money.
- Set out clearly defined goals and milestones.
- Establish a set of metrics that can be tracked to accurately measure whether you are reaching your goals. These indicators will show whether your plan is on track or if adjustments are required.
- Review your performance regularly by comparing actual results with those forecasted in your plan and adjust accordingly. As you implement your plan, be prepared to manage for change in your business.
 - Set your expectations and track results. Be accountable if things do not go as planned, celebrate when they do. Do not be afraid to make necessary changes to your plan.
 - Be a careful steward of your financial resources. Managing your cashflow is a key to running a profitable business. Pay close attention to accounts receivable and inventory.
 - Verify that your day-to-day operations follow the path set forward in the plan.
- Remember to stay strategically focused. It can be easy to get side tracked. Do not stray very far from the priorities outlined in your plan.
- Remember that plans do change. The business plan enables you to proactively update your road map while never losing sight of your end goal.

Business plans do not have to be 50 pages in length. In Vermont we are fortunate to have the Vermont Housing & Conservation Board Farm & Forest Viability program which offers technical assistance for business planning to producers across the state. This program works with NOFA-VT, UVM Extension, The Intervale Center, Center for an Agricultural Economy and independent service providers. You can also find many resources online or access private business planning consultants. Either way, understanding the benefits of creating a business plan, implementing the plan as envisioned and adjusting the plan as necessary will increase your project's chances of being successful.