

***Business Plan Basics
and
Vocational Rehabilitation
Services***

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Overview



- What is a business plan?
- What are the key elements of a business plan?
- What are the three tests must it pass?
- What are some free resources?
- Vocational Rehabilitation (VR) Services
- VR Opportunities for Veterans

A Business Plan

- Business plan – a written summary of:
 - an entrepreneur’s proposed business venture.
 - its operational and financial details.
 - its marketing opportunities and strategy.
 - its managers’ skills and abilities.
- It is a reflection of it’s creator
- Realization that a business idea just won’t work
- The real value is in the *process* of creating it.
- A necessary tool to attract capital funding

Two Essential Functions

- Guiding the company by charting its future course and defining its strategy for following it.
- Attracting lenders and investors who will provide needed capital.

Why Take the Time to Build a Business Plan?

- Although building a plan does not guarantee success, it *does* increase your chances of succeeding in business.
- A plan is like a road map.





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Key Elements of a Business Plan

The Executive Summary

- Summary of all the relevant parts of the business.
- Maximum of 2 pages.
- Anyone should be able to understand the entire business concept and the company's competitive advantage.
- “the elevator pitch”

Mission Statement

- Entrepreneur's vision of what the company is, what it is to become, and what it stands for.
- Broadest expression of a company's purpose and defines the direction in which it will move.

Business and Industry Profile

- Company's general business goals and its immediate objectives.
- Industry Analysis
- Ease of entry and exit, economies of scale/scope, economic trends
- Provide information on the existing and anticipated profitability of competing firms.

Business Strategy

- Explain how you plan to gain a competitive edge in the market and what sets your business apart from the competition.
- How you plan to meet goals and objectives in the face of competition and government regulations.
- Identify the image the business will project.

Description of Product/Service

- Explain how customers will use product or service.
- Indicate product's position in the product life cycle.
- Summary of patents, trademarks, or copyrights protecting the product/service.
- Focus on customer benefit, not just a detailed list of the product's features.

Competitor Analysis

- Provide information on competitors' market shares, products, and strategies.
- Demonstrate that your company has an advantage over its competitors.

Owners' and Managers' Resumes

- Should include resume' of anyone with at least a 20% ownership in the company.
- Show that the company has the right people organized in the right way.
- Ideally, lenders look for managers with at least 2 years of operating experience.

Plan of Operation

- Construct an organizational chart.
- Describe incentives to keep key personnel.
- Describe firm's form of ownership and any leases, contracts, and other relevant agreements pertaining to the operation.

Financial Forecasts

- Monthly pro forma financial statements for one year and by quarter for each of the next 2-3 years.
 - Income statement
 - Cash flow statement
 - Balance sheet
- Three sets of forecasts: optimistic, most likely, and pessimistic.
- Include break-even analysis.

The Request for Funds

- State the purpose of the loan or investment, the amount requested, and the plans for repayment or cash-out.
- Financial projection must reflect the firm's ability to repay loans to lenders and to produce adequate yields for investors.
- Include an evaluation of the risks of the business.

Tips on Preparing a Business Plan

- Rid your plan of all spelling and grammatical errors.
- Make your plan visually appealing.
- Leave ample “white space” in margins.
- Make sure your plan has an attractive cover.
- Include a table of contents.
- Write in a conversational style and use “bullets.”

Tips on Preparing a Business Plan

- Support claims with facts and avoid generalizations.
- Avoid overusing industry jargon.
- Make it interesting!

Tips on Preparing a Business Plan

- Use spreadsheets to generate financial forecasts.
- *Always* include cash flow projections.
- Keep your plan “crisp”

A Plan Must Pass Three Tests

- *The Reality Test* - proving that:
 - a market really does exist for your product or service.
 - you can actually build it for the cost estimates in the plan.
- *The Competitive Test* - evaluates:
 - a company's position relative to its key competitors.
 - management's ability to create a company that will gain an edge over its rivals.
- *The Value Test* - proving that:
 - it offers investors or lenders an attractive rate of return or a high probability of repayment.

Available Free Resources

- Indiana Secretary of State
 - **An Entrepreneur's Guide to Starting A Business in Indiana**
 - www.in.gov/sos/business/corps/guide
- *AccessIndiana*
 - www.in.gov/ai/business/
- Small Business Administration
 - www.sba.gov
- Indiana Small Business Development Centers
 - www.isbdc.gov

Available Free Resources

- Purdue Cooperative Extension Office
- Purdue Extension Publications: The Education Store
- U.S.D.A. New Farmer:
<https://newfarmers.usda.gov/>
- Agricultural Marketing and Resource Center: <http://www.agmrc.org/>

Available Free Resources

- Stats Indiana:
<http://www.stats.indiana.edu/>
- U. of Florida Small Farms Alternative Enterprise Budgets:
<http://smallfarms.ifas.ufl.edu>
- Pork Industry Handbook
- Beef Cattle Handbook



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Indiana Vocational Rehabilitation Services

The Road to Work

Indiana Vocational Rehabilitation Services

A State-Federal Partnership who assists eligible individuals with disabilities to achieve employment and independence thru informed choice. These choices include employment outcome, specific services needed to achieve the outcome, the service providers, and methods for obtaining services.

Some Services Available

- Farm and workplace accessibility accommodations – tractor and truck lifts, utility vehicles, automatic hitches, tools and equipment, etc.
- Home accessibility - ramps, lifts, bathroom and kitchen modifications
- Small Business Enterprise Program-funding to start a business (up to **\$30,000 the first year w/25% match**)

Process

- Application for services
- Acceptance for services
- Individual Plan of Employment
- Assessment of farm, home, or workplace
- Agreement of needs
- Provision of products and modifications
- Closure of case (can be reopened)

Outcomes since 2006

- 61 out of last 65 farmers still farming – 3 have passed away
- 15 out of the last 40 business plans submitted authorized and funded
- Value of services VR has provided to AgrAbility clients - \$1,449,500

Examples of Recommendations



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Businesses Assisted

- Produce and High Tunnel Greenhouse
- Excavating
- Goat Finishing
- Aquaponics
- Winery
- Fire wood
- Farm equipment repair



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