

The Ohio State University South Centers

Business Development Network



THE OHIO STATE UNIVERSITY

COLLEGE OF FOOD, AGRICULTURAL,
AND ENVIRONMENTAL SCIENCES



Business Development Network

- ❑ Small Business Development Center (SBDC) and the Manufacturing & Technology SBDC

- **No cost, confidential consulting:**

- Our Certified Business Analysts provide consulting on all aspects of business ownership and management.

- **Training & Workshops:**

- We offer a large variety of trainings and workshops to help you develop the needed skills to succeed.



Business Development Network

□ Partners – Federal & State

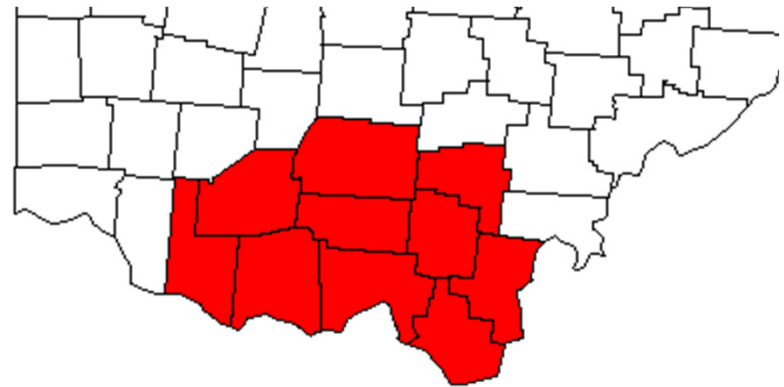
- Small Business Administration
- Ohio Department of Development
- Shawnee State University
- University of Rio Grande

□ Partners – Local

- Local Chambers of Commerce
- Local Economic Development Agencies

Business Development Network

- ▣ The SBDC and MSBDC serve 10 counties in south central Ohio.



- Provide one-on-one no cost consulting to new and existing businesses.
- Provide a variety of trainings and workshops to assist businesses in our region.

Business Development Network

□ Business Development Specialist

- Focus on the three areas of Management, Marketing, and Money.
- Provides one-on-one consulting
 - Business plans
 - Cash flow projections
 - Human Resources
 - Marketing plans
 - Loan packages
 - Access to Capital
- Provides Trainings & Workshops
 - Tech Tuesdays
 - Direct Marketing and Farmers' Markets

Business Planning

- ❑ Developing Your Business Plan

Your business plan serves as a road map. Helps answer such questions as:



- ❑ Who
- ❑ What
- ❑ Where
- ❑ When
- ❑ How

Business Planning

S.M.A.R.T. Goals

S – specific

M – measurable

A – attainable

R – realistic

T – timely



Business Planning

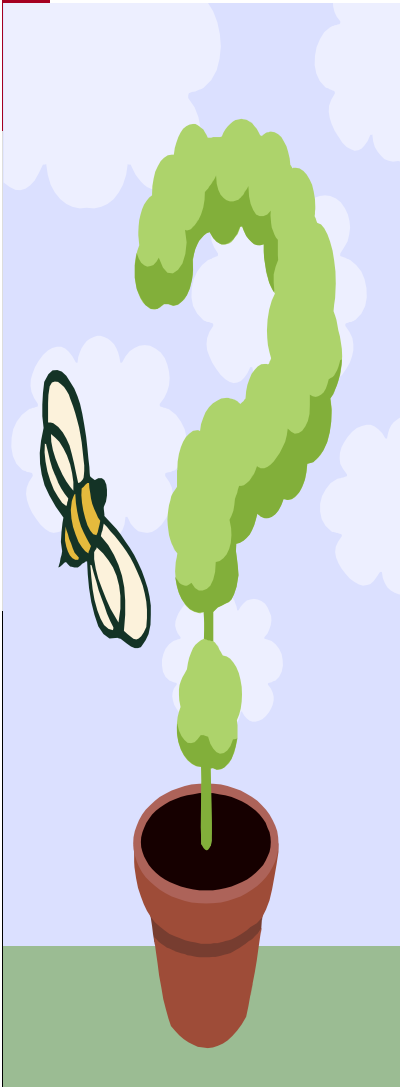


Take stock of your resources:

- Land
- Equipment
- Financial
- Knowledge
- Time/energy

Based on your resources, decide which product(s) you plan to produce.

Business Planning



Questions to ask about your operation:

1. What products/quantity can you produce?
2. Does it have the potential to be profitable?
3. How will you maintain quality?
4. What can you do to add value?
5. Are you properly insured?
6. What regulations apply?

Business Planning



Set goals as to what you want to accomplish.

Example, you want to generate \$10,000 in sales and have decided sweet corn is your chosen crop.

Business Planning

**Goal:**

To generate \$10,000 for the season.
Market runs 25 weeks per season.

$$\$10,000 \div 25 \text{ weeks} = \$400/\text{week}$$

Let's assume you sell sweet corn @
\$5/dozen

$$\$400/\text{week} \div \$5.00 = 80 \text{ dozen}$$

Business Planning



But, you won't have sweet corn for 25 weeks. You will have it for 8 weeks.

$$\$10,000 \div 8 \text{ weeks} = \$1250/\text{week}$$

$$\$1250 \div \$5.00 = 250 \text{ dozen/week}$$

Your production is 200 dozen/week.

$$8 \text{ weeks} \times 200 \text{ dozen} \times \$5.00 = \$8000.$$

$$\$10,000 - \$8,000 = \$2,000.$$

The remaining \$2000 will come from?

Business Plan

- ❑ Business Plans usually consist of
 - Executive Summary
 - Business Description
 - Marketing
 - Management
 - Money
 - Attachments





Business Plan – Executive Summary

□ The Executive Summary

- Brief Overview of the Business Plan – This is read first but should be written last!
- Provides a brief overview of the rest of the plan.
- Includes the compelling reason the business will succeed.
- If being used to seek financing – include how much money is needed, for what, and from where.

Business Plan – Business Description

□ Describe the Company

- Why does the company exist? (What need does the company fill?)
- What is the status of the business? (New start-up or existing business planning expansion.)
- What is the current state of the industry you serve? (Characteristics and trends)
- What are your products/services?
- What sector of the industry are you in?
 - Wholesale, retail, etc.



Business Legal Structures

- ❑ Sole Proprietorship
- ❑ Partnership
- ❑ Corporation
- ❑ C-Corp
- ❑ S-Corp
- ❑ Limited Liability Company
- ❑ Cooperative
- ❑ Non-profit

Business Plan – Marketing

- ❑ Who is your target customer?
 - Age, Income Level, Level of Education, etc.
- ❑ What is your competitive advantage?
 - Why will customers buy from you?
- ❑ What is your marketing strategy – how will you position your products/services?
 - Best Value, Highest Quality, Cheapest, Most Convenient
- ❑ What are your 4 P's?
 - Product, Place, Price, Promotion

Business Plan – Marketing

- ❑ Develop a detailed marketing plan and budget.
 - How will you market your business?
 - ❑ TV, Newspaper, Radio, Flyers, Billboards, etc?
 - ❑ How much will you budget for marketing?
 - How you market depends on what your customers 'look like'.
 - ❑ Age, income, location, interests, psychographics
 - How will you manage your image?
 - ❑ Everything You do sends a message to your customers - Signs, Employees, Complaint Resolution, Pricing, Public Relations, etc.



Marketing is...

- ❑ Everything you do to communicate with your customers/potential customers.
 - Signage
 - Logos
 - Uniforms
 - Type of customer service
 - Print materials
 - Web site



Marketing is ...



- **... everything** - *Jay Conrad Levinson*
- **... tactics, strategy, culture**
 - **Tactics:** advertising, public relations, ...
 - **Strategy:** to position and compete based on what's happening in the market
 - **Culture:** everyone in the organization values the customer and operates based on buy-in to strategies
- **... process / function**
 - **Art** (Creative, Emotional, Bond with customers)
 - **Science** (Hypotheses, Test, Evaluate)



Product

- How have you **positioned** your **product** in the market?
 - The best quality available?
 - The cheapest?
 - The best value for the money?
 - The most convenient?
 - Is it a necessity or a luxury item?

Place (position)

- ❑ The products or services you offer will help determine where you **place (position)** your product in the market.
- ❑ For example, if you sell bottled water, is your product the 'top of the line' which has added features/benefits? Or is it simply bottled water which offers convenience to the ultimate consumer?
- ❑ Propel calcium vs. Sam's Club – discuss the features of each of these.

Is your **Promotion** Consistent?

- ❑ Does your logo appear on ***all*** your print materials?
- ❑ Does it clearly reflect your company's mission?
- ❑ Does it set you apart from your competitors?
- ❑ Do you recognize these logos? Why?



Pricing your product

- ❑ The way in which you price your product conveys a message to your consumer.
- ❑ If it is the most costly bottle of water what message does that send to the consumer?
- ❑ If it is the least costly bottle of water, what message does that send to the consumer?



How to develop a consistent message

- ❑ Development of a **Marketing Plan** can help you develop a consistent message to your customers and potential customers.
- ❑ A marketing plan can also help determine your marketing budget and where best to spend the marketing dollars.
- ❑ A good place to start is to gather all your current marketing materials and evaluate what message they are sending.
- ❑ Then you can begin to develop a **marketing plan**.

Products

What do you sell?

- ❑ **Various crops and livestock**
 - Fruits & Vegetables
 - Meat and other animal products
 - Trees, shrubs, flowers, herbs & other nursery & agroforestry products
- ❑ **Value-added foods & nature-based products**
- ❑ **Other products**
- ❑ ***Breadth/Depth***
- ❑ ***Packaging & Pricing***
- ❑ ***Bundling***



What do you sell?

Services/Experiences

▣ Farm tours

- Pick-Your-Own
- Mazes
- Hay Rides
- Games/Play Areas
- Specialty Gardens
- Educational Demonstrations
- School tours, Other bus tours
- Corporate parties, Weddings, Birthday parties
Working vacations



What do you sell?

Services/Experiences

■ **Recreation and hospitality enterprises**

- Food sales/service: local & regional cuisine
- Restaurants, Farm & Farmers Markets, Tasting
- Lodging: Bed & Breakfast, Cabins & Cottages
- Recreation: Hunting or fishing for fee, trail riding, wildlife watching
- Gifts: arts & crafts; other local/regional specialties

■ **Festivals, Events & Other Attractions**

- featuring natural resources, heritage and historical sites, etc.



Places

Where do you sell?



- ❑ Roadside stands
- ❑ Farm markets & Pick-Your-Own operations
- ❑ Farmers markets and public markets
- ❑ Mail order, Internet-based sales & CSA – Community Supported Agriculture (Delivery)
- ❑ Auctions, Festivals & Other Events
- ❑ On location sales calls (delivery)
 - Restaurants, Specialty Grocers, Institutions
- ❑ Other...





People

Who buys/influences?

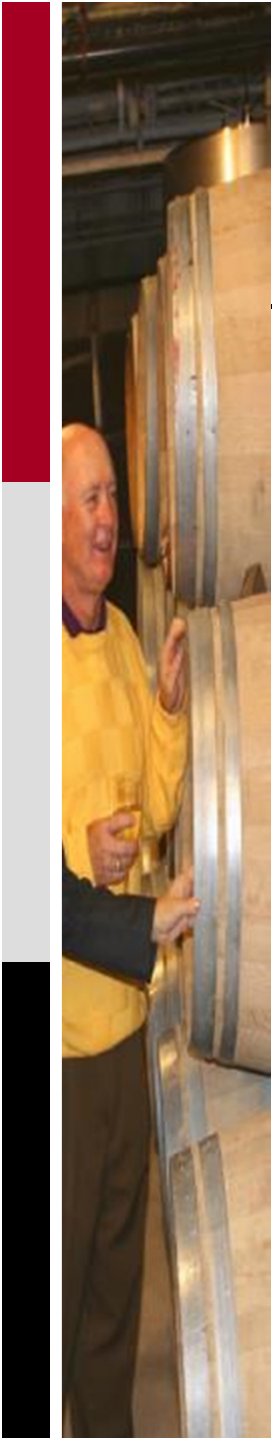
■ **Who purchases or influences the purchase of products/services?**

- Consumers
- Chefs/Restaurants
- Schools, Institutions, Municipalities
- Businesses
- Specialty Retailers
- Other
- The more you learn about your buyers (formerly or informally), the better you can “delight” them and attract buyers similar to them



What do you know about Your Customers?

- ❑ **Demographics** – Who/Where are they?
 - Age, Gender, Income Level, Education, Marital Status, Household Type, Location, Occupation...
- ❑ **Psychographics** – What is important to them
 - Activities, Interests, Opinions – Lifestyle
- ❑ **Customer Type** –
 - Awareness/Relationship
- ❑ **Preferences & Behavior**
- ❑ **Non-customers**
Perceived barriers?



Promotions

(Benefits vs. Features...Relationships)

- **Who?**

- Right Audience/s

- **What?**

- Right Message
- Attention—Interest—Desire—*Action*
(Lavidge and Steiner, 1961)

- **When**

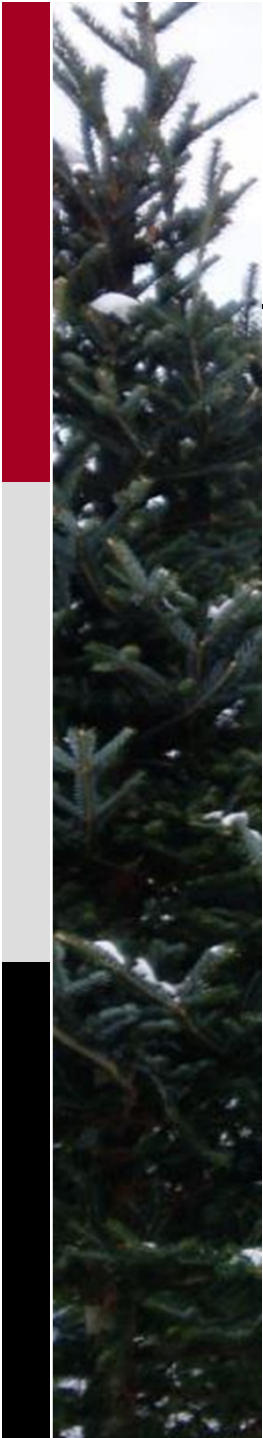
- Right Time, Frequency (4-9x), Consistency

- **Where**

- Right Place, Media Choices

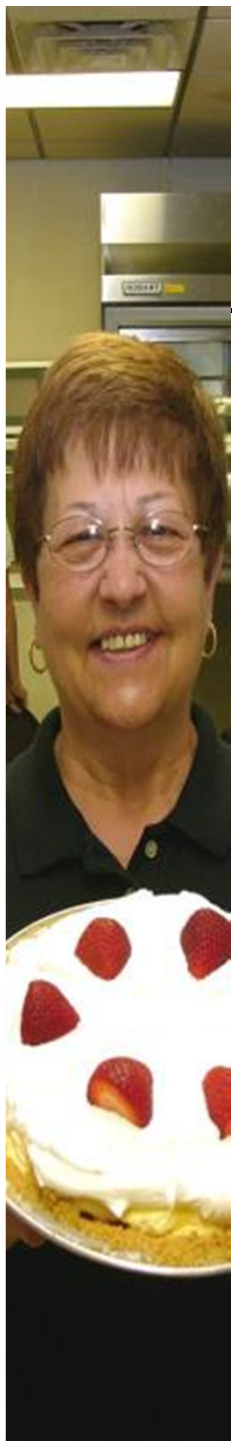
- **How Much**

- Right Budget (leftover money, % of sales,...)



Promotions

Community & Public Relations



- ❑ Get involved in community activities
- ❑ Help sponsor community events
- ❑ Acknowledge referrals
- ❑ Press Releases (pre-write press releases for week of busy season)
 - Short (max. 2 typed pages double-spaced)
 - News worthy, local appeal, tied to newsworthy event
 - Visual appeal (newspaper, broadcast)
- ❑ Contests
- ❑ Media link on website with story ideas
- ❑ Deliver samples of 'first picked' to five most popular media outlets along w/media packet – other influential people
- ❑ Be an "Expert" Speaker (speak to civic organizations (30-60 days before busy season)
- ❑ Have an answering machine message
- ❑ Cross Promotions & Cooperative Marketing



www.ohiomarketmaker.com

Try It



The screenshot shows the Ohio MarketMaker website. At the top is a navigation bar with links: Home, Help, About Us, FAQs, Contact Us, Search, and Login. The main header features the text "OHIO MARKETMAKER™" with a green and orange logo, and the tagline "Linking Agricultural Markets". Below the header is a row of icons representing various agricultural products: corn, a cow, a plant, a barn, a truck, an apple, and a shopping cart. To the left of the main content is a green map of Ohio with white dots indicating locations. An inset map shows a detailed view of the Coshocton area with red dots. Below the map is a green button labeled "Begin Your Search". To the right of the button is a text box that says "Search for market demographics, local producers, and businesses in the food supply chain." Below this is another green button labeled "Register / Log In". To the right of the button is a text box that says "To register your business with MarketMaker or to log into your existing account, click the button above." To the right of the map and buttons is a section titled "MarketMaker Gets Makeover" with a "news" icon. The text describes the website's move to new servers and enhancements. Below this is a table with three columns: Resources, New Users, and Case Studies. The Resources column has a "MARKETMAKER" logo and a map of Ohio with the text "CLICK TO ACCESS". The New Users column has the text "Are you new to MarketMaker?" and "Take a few minutes to learn". The Case Studies column has the text "How can I use MarketMaker?" and "Learn how a farmer, a meat-".

Home Help About Us FAQs Contact Us Search Login

OHIO
MARKETMAKER™
Linking Agricultural Markets

An interactive mapping system that locates businesses and markets of agricultural products in Ohio, providing an important link between producers and consumers.

MarketMaker Gets Makeover
MarketMaker has moved to a new suite of high performance servers. In addition, the MarketMaker web application has received several significant enhancements, allowing it to become an even more effective tool for agricultural commerce.
[<read more>](#)

Resources	New Users	Case Studies
 CLICK TO ACCESS	Are you new to MarketMaker? Take a few minutes to learn	How can I use MarketMaker? Learn how a farmer, a meat-

Promotions - Social Media

Blogs

Twitter

Social Networking

Facebook, ...

Sharing Photos & Videos

YouTube, Flickr

Other...



Creating the experience / Story – What's Unique -Memorable?



[http://3.bp.blogspot.com/_AjoRnXJpYG0/SWN4N-KKWEI/AAAAAAAAAw/YXPL8aEzuSE/s1600-h/p-\(46\).jpg](http://3.bp.blogspot.com/_AjoRnXJpYG0/SWN4N-KKWEI/AAAAAAAAAw/YXPL8aEzuSE/s1600-h/p-(46).jpg)

Your story...

Their story ...



Business Plan – Management

□ Management Section Should Include-

■ Key Owners/Managers

- Demonstrate their experience, education, etc.
- Organizational Chart
 - Who's responsible for what?
 - How does the decision making process flow?

■ How Many Employees will you Hire?

- What skills do they need to possess?

■ How do you manage risk?

■ What Professional Support to you have/need?

- Accountant, Attorney, Insurance Agent, etc.



Owner's Personal Experience

- ❑ Why will you be able to successfully manage this business?
 - Resumes of key owners/manager
 - Ability to hire/fire
 - Ability to manage business finances
 - Ability to maintain your personal financial stability until the business is established
 - Ability to recognize your weaknesses and develop a plan to deal with them (accountant, etc.)

Business Planning – Money

- ❑ Most important thing for new start-ups =
 - Cash Flow Projections
 - Sources & Use Statement
 - Break Even Analysis
- ❑ Cash Flow Projections should be
 - Reasonable & Realistic
 - Supported by Your Market Research
 - Demonstrate ability to repay the loan!

Begin these early in the business planning process! They will provide information you need to develop your plan.



Business Planning - Money

- ❑ Banks – Banks are a business too! They have a different product/service than your business. Banks are NOT venture capitalists.
- ❑ Banks are your business partner – work closely with your bank. Provide regular updates to your bank.
- ❑ Banks want to know the convincing reason your project will succeed!

Business Planning - Money

- ❑ There are 5 main areas lenders look to
 - Cash flow projections
 - Financial Stability of you –
 - ❑ Personal Credit History
 - ❑ Collateral
 - ❑ Personal Financial Statement
 - Personal Experience
 - Business Plan
 - Cash Contribution



Business Planning – Money

- ❑ Credit
- ❑ Character
- ❑ Capacity
- ❑ Collateral
- ❑ Conditions
- ❑ Capital
- ❑ Confidence

Credit History

- ✓ Be prepared to offer reasonable explanation for blemishes
- ✓ Repair and rebuild prior to applying
- ✓ Keep tax obligations current



Business Planning - Summary

- ❑ Should answer the who, what, when, where, and how.
- ❑ Should be used as a management tool to guide the business start up/growth.
- ❑ Should be concise and to the point.
- ❑ Should provide compelling reason why the business will succeed.
- ❑ Should be supported by owner's experience, market demand, and sufficient capital.

Business Development Network

Questions?

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