

FCC Business Planning Award



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What's your business plan worth?

It's more than a grade.

Try \$2,500.

We'll show you how.



Who is FCC?

We're Canada's largest provider of business and financial solutions to Canadian farms and agribusinesses.

- 100 offices, mostly in rural Canada
- more than 50,000 customers
- One of the 50 best employers in Canada (Report on Business)



What does FCC offer?

- Financial products
 - Primary production
 - Agribusiness
 - Alliances
- Insurance
- Software
- Venture capital
- AgriSuccess



And what does AgriSuccess do?

- **Information:**
 - AgriSuccess Journal
 - AgriSuccess Express
- **Learning:**
 - Workshops, seminars, learning tours
- **Business planning award**



What is the FCC Business Planning Award?

- Cash award for final-year diploma agriculture students and third or fourth year degree agriculture students.
- Tied to an existing business planning class.
- Now in its fifth year.
- To date, over \$315,000 given out for great business plans.



So why does FCC care about your business plan?

Research shows that many agriculture students return directly to the farm after completing their program. The better prepared you are for your future in agriculture, the stronger the industry will be.



Who is eligible for the FCC Business Planning Award?

You are if you're an agriculture student who:

- is enrolled in the diploma or degree program of a participating agriculture college / university

AND

- is participating in an applicable course designed by the college / university



What do you have to do?

- **Prepare a real-life business plan** as part of your course - this plan must be related to a project or operation or business that will enhance agriculture in rural Canada;
- **Engage a mentor** (parent, producer or industry specialist) who will review and endorse your plan;
- **Submit the business plan** (which you've prepared as a team or an individual) **and a signed application form** to your instructor.



Role of Mentors

WHO: Parent, producer, operator, industry expert.

WHY: Life-experience, advice, real-world know how.

WHAT: All business plans must be endorsed by the mentors. Mentors must sign the application form.



Who won in 2006-07?

- 94 students (combination of individual and team projects)
- 17 participating colleges and university programs, from B.C. to Nova Scotia
- total of \$100,000 in award money
- full details at www.FCC-businessplanningaward.ca



What business plans are eligible for cash?

- grain and oilseed
- organics
- cash crops
- livestock
- cow/calf
- mixed operations
- dairy
- egg production
- food processing
- haying
- custom services (combining, spraying)
- crop inputs

As long as your business plan is related to agriculture or agribusiness, you could cash in.



How can your business plan win?

Submit your plan and the signed application to your instructor at the end of term.

Plans can be submitted by teams or individuals - see instructor for more details.

Award-winning plans are determined by your college's own selection criteria.



How much cash are we talking about?

Prize distribution:

6 - 25 students - \$4,000

- First - \$2,500; second - \$1,500

26+ students - \$6,000

- First - \$2,500; second - \$1,500
- Third and fourth - \$1,000 each



Business Planning Award Bonus

In addition to the award money – there's more!

Visit www.FCC-BusinessPlanningAward.ca to:

- download your application form
 - read the rules
 - find a business plan guideline
 - find answers to FAQ's
 - enter to win a laptop and other prizes!






WHY PLAN?



- Clear outline of goals & objectives
- Guideline to compare actual to achieved
- Framework for budget, production & marketing plans
- Attract \$\$\$ (investors, financing, etc)
- Foresee opportunities & threats
- Monitor progress of the operation
- Creates understanding and commitment to the plan

 presents 
 Farm Credit Canada Information and Learning

WHAT'S IT LOOK LIKE?

- 20-30 pages in length
- Formatted
- Professional
- Show me!
 - Pictures
 - Maps
 - Diagrams



 presents 
 Farm Credit Canada Information and Learning

WHERE TO GET INFORMATION?

- Company records
- Surveys (customers? suppliers?)
- Competition
- Industry specialists / consultants
- Associations, publications, journals
- Educational institutions, government
- Internet



BUSINESS PLANNING

- A business plan examines how your business will develop and operate, providing:
 - Clear focus
 - Research
 - Strategy
 - Benchmarks
 - Basis for discussion



COMPONENTS OF A PLAN

- Executive Summary (1-2 pages)
 - Introduce your plan (who wrote it? why?)
 - Summarize the key points
- Mission Statement & Objectives (1 page)
 - Central purpose and activities of the business
 - Strategies & Goals (3-5 years)



THE PLAN, CONT'D...

- Company History (2-3 pages)
 - Achievements & growth
 - Ratio summary of financial performance
 - Significant changes? & their impact
 - **SWOT analysis**



THE PLAN, CONT'D...

- Ownership & Management (2-3 pages)
 - Ownership structure
 - Brief summaries of key people (focus on successes!)
 - Succession plan?
 - Job profiles
 - Management team



THE PLAN, CONT'D...

- Products & Services (1-2 pages)
 - Describe
 - What is so special?
- Industry Analysis (1-2 pages)
 - Size
 - State of maturity
 - Growth pattern



THE PLAN, CONT'D...

- Target Market Profile (2-3 pages)
 - Size
 - Segment
 - Trends
 - Customer profiles
 - What drives the buying decision?
 - Any substitutes?



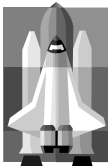
THE PLAN, CONT'D...

- Competition (1-2 pages)
 - Primary & Secondary competitors
 - SWOT the competition!
- Marketing Strategy & Sales (2-3 pages)
 - Distribution channels
 - How to obtain & keep customers?
 - Pricing strategy and promotions



THE PLAN, CONT'D...

- R & D & Technology (1 page)
 - What work have you done on this?
 - Patents or intellectual property
 - How to improve or develop products



THE PLAN, CONT'D...

- Operational & Manufacturing Plans (2-3 pages)
 - Physical capabilities of business
 - Steps in the processing cycle (timeline)
 - Raw Materials and supplies (inputs)
 - Labour?
 - Plans to improve



THE PLAN, CONT'D...

- Human Resources (1-2 pages)
 - Issues that may face your business
 - Hiring & keeping employees
 - Compensation
- Sources & Uses of Funds (1 page)
 - Timing & cost of capital purchases
 - Where is the \$\$ coming from?



THE PLAN, CONT'D...

- Financial Position & Projections (2-3 pages)
 - Support your forecasts for income & expenses!!!
 - Include historical #s
 - Project at least the first 3 years
 - Monthly cash flow
 - What impact will changes have? (sensitivity analysis)



AS IF THAT ISN'T ENOUGH???

- Extra fun things to add!!!
 - Offer to purchase
 - Permits & licenses
 - Research supporting prices or consumer behaviour
 - Copies of contracts



WHAT I'VE OBSERVED...

- Some of the best laid plans fail because:
 - Stakeholders do not understand RISK
 - Industry knowledge and expertise is lacking
 - Left out the "OT" in "SWOT"
 - Poor management
 - Forget about the plan & kamikaze



Thank you for listening!



QUESTIONS????