

Business Plan Team for Center for Community Agriculture (CCA)

Agriculture Commission AD HOC

October 31, 2013- 10:00 to 11:45

Session TWO

Attending Scot Mackinnon, Nancy Mackinnon, Linda Stuhlman, Marianne Halpin, Peter Dean.

It was suggested to table the discussion regarding publication, Building Successful Food Hubs until next future meeting when all had a chance to read and review full publication.

All agreed the Research Questions would be used as a guide for farm visits and other questions that surface can be added to the list. All questions posed to farm owners need to be expressed with diplomacy as the goal for the AD HOC is to collect as much information as possible for planning team review.

In continuation of session ONE objectives, the team reviewed the Business Plan Information and Reference document that incorporates all written documents to date that pertain to the CCA such as the STEAP GRANT and Rough DRAFT Summary. The purpose of this exercise is directly related to business plan development. This allows the planners to streamline all CCA farm plans as stated in the STEAP GRANT and assign the particular 'plan.' to an objective—Organic; Processing kitchen; Community Farm/jobs. Also loosely added was the category of Goals/ Benefits. Once completed, each objective will be aligned with GOALS and devising strategy to meet the GOALS. It was evident that categories overlapped, but for the sake of planning (not getting caught in the weeds with discussion), each plan would be assigned to one objective category.

Following the review of the documents it was suggested that we visualize what the CCA would look like in 2016 (five years from start date). It was difficult to streamline thoughts without 'getting into the weeds.'

Areas of discussion:

-While many exciting ideas surfaced, the focus on those ideas that complement the mission would be the focus for strategy. The most important priorities will fulfill overall objective of the CCA while maintaining cost efficiency.

-The true cost estimate of maintaining the CCA could be done following a thorough understanding of actual 5 year development plan. The Five Year Plan will include areas of concentration that are Agri/Business sustainable in relationship to break-even analysis. Adjustments of plan (additions or subtractions) are expected if/when fees for CCA usage or Grant funding doesn't cover the expense of running the CCA.

-The CCA plan must have a definite goal of recouping expenses or accomplishing break-even within five years.

-The CCA is not about 'making money'. Its purpose partially, which will be outlined in full in the Mission Statement and Executive Summary, is to provide an agriculture incubator consisting of many agriculture business opportunities and will **serve** the East Haddam community while extending out regionally.

-Once the overall objective of the plan is defined with implementation strategy, the next step is to anticipate cost estimates for building(s), overhead costs, fixed costs, salaries, hidden costs, pro-bono costs (estimating what the towns has donated toward the project through machinery, man-power, well construction, etc.)

-The Center must meet the needs of the town, the CCA planning and development team must be aware that the community residents will want to know, "What's in it for them?" The plan needs to define its customers/clients through good Marketing.

-The importance of all planners to be "swimming in the same directions," This project is owned by the Town (residents of East Haddam) and the building process should consider its success and sustainability in years to come, when current key planners, Ag commission, Economic Development, Selectman are changed out. The baton is passed, the process, through the business plan, should be smooth and on-going. Like the client base, the CCA venture will be ever-changing depending on needs for maintainability, but the overall mission, is for the future, as well as immediate needs.

-The group shared thoughts: Currently, the Selectman office is responsible for Grant Implementation/Funding and oversight. The Agri-Commission AD-HOC functions as an advisory council and planners. The concern was expressed that the Ag-Commission, with its Agriculture mission in the Town of East Haddam, is vested and has an important role to see that this project is successful and that all key developers offer 'check and balance' for success on-going.

-The planning team engaged in a brief discussion about the seriousness of the plan (and not to take this endeavor lightly) and that it is not just words on paper, but a description of how the CCA will operate. The planning team requests that all are updated on activities that occur outside the planning sessions.

-Scot mentioned that he had little help and was doing everything himself. All members of the planning team stressed that they wanted to be called upon and he no longer needed to work solo. It was agreed by all that being kept in the loop (such as meetings with officials, engineers, etc.) is vital to putting a good plan together. The team is very motivated for success of the CCA. The planning team also discussed the need to reach out to the community to allow motivated, farm oriented residents to participate in various capacities.

-The team learned that Roger Numergot is the Engineer on the project. It was voiced that it might be a very good idea to hire needed agricultural-specific professionals from outside sources and not necessarily have everyone from the town office. Would the cost to the project be the same? It was also

questioned whether there may be East Haddam residents who are professionals sensitive to the Ag mission who would be willing to volunteer their time toward the project.

-Linda reviewed several pages from the document called: Developing a Business Plan- Step by Step Guide, written by Joseph Bonelli, Department of Extension, College of Agriculture and Natural Resources, University of CT

What is a Business Plan:

- Tool used to convert idea into a reality for either a new business or for changes to an existing business
- Keeps everyone focused on the same goals.
- Provides a necessary analysis of all aspects of the business.
- A business plan is a dynamic document—For each business stage, the business plan must be updated.
- Written for Owners, Business manager, Lenders/Investors, Consultants and employees

Basic Components:

Executive Summary- Business Description- Operations- Marketing plan- Management- Financials

Farm Risk Management:

Successful Business Owners:

- Have vision
- Have excellent people skills
- Consider the options and risks
- Understand the importance of alliances and networks
- Have superior financial, production and time management systems in place
- Have a complementary advisor team
- Have balanced management skills

Why Manage Risk?

- Farming is a high-risk venture that brings with it many uncertainties.
- Farm profitability is directly related to how well your business can handle these risks.

What Risks Need to be Managed?

- Production, Marketing, Financial, Legal, Human Resource

Linda will eventually type out the whole document or copies can be made from the Selectman's office. Mr. Bonelli is an excellent reference and the Planning Team might consider meeting with him in the future seeking his expertise and guidance.

As the clock ran out, it was suggested Linda put the following on paper:

Homework for Session Three:

Establish how many certified kitchens are in the region and location? How many are organic certified?

Linda will contact Massaro Farm and White Gate Farm for visits.

Write down all thoughts regarding expenses for the CCA development and maintenance of the CCA. There are basic expenses previously noted in the record, but all should start with a clean slate and be as detailed as possible (without stress).

Scot is requested to write a basic outline of accomplishments to date with general dates and list work performed by town (any capacity) so pro-bono costs can be established.

Session THREE Agenda:

To incorporate Session ONE/TWO, Business Description, and develop *specific GOALS* with dates (based on the three Objectives).

GOALS - Based on Bonelli Ag/Business Plan Guide:

- Goals are directions for your business and outline what you want your business to look like in the future.
- Too many goals may result in less effective results. 4 to 8 is probably about right for most small businesses
- All activities undertaken by the business should have the objective of achieving these goals.

Consider these areas when developing goals:

- Business Marketing
- Crop practices
- Financial considerations
- Personnel and personal needs. (in this case personal needs would be needs for community)

Once Specific GOALS are established, the implementation strategy will be put in place.

Submitted by Linda Stuhlman