

Developing a Business Plan

TDB

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Lakeview High School

Battle Creek, MI 49015

Your Business Plan

- Добрый день.
- Меня зовут...Mark Thomas
- Очень приятно. Michigan Farmers
- Как у Вас дела?
- Неплохо? Плохо?
- Я не понимаю?

Three Ways to Use a Business Plan.

- Common Language
 - Road Map
- Measuring Stick

Business Plan?

- Internet
- Class
- Hard Knocks
- Purchase
- Forced to produce
- Old one worn out
- Everyone else has one

Three C's of Entrepreneurship

- See
- Size
- Seize

Elements of a Business

- Make
- Market
- Manage

Business or Product Idea or Concept Development

Briefly describe your business or product idea

- *I am going to produce flour made from Spelt grain that I produce.*
- *The mill (Michigan Specialty Flours, Inc.) is owned by my neighbor.*
- *I am going to do this because my son has suffered from Celiac's Disease and Spelt flour helps him feel better.*
- *Celiacs' support group have had similar results*

Who is the target customer?

- *The 12 million people in the US who cannot tolerate flour made from grain with gluten.*
- *I have contacted The Gluten Free Mall, an internet based marketing and sales venture for gluten free products.*
- *I have also contacted Foods for Living in Okemos and they have expressed an interest in adding the product to their existing flour line.*

What benefits would the target customer want?

- *Flour that is gluten free.*
- *That has the flavor and texture to produce good pastries and cookies.*
- *Reasonable price.*

Characteristics of the Market for Your Business or Product

- *They will expect a white to off-white flour that can be used to produce pastries and cookies.*
- *It will need to perform similar to wheat flour in the recipe preparation and baking process.*
- *It must produce a moist, good tasting finished product.*

How will you market the business or product to the customer?

- *Participate in specialty foods shows in Chicago and St. Louis*
- *Create a brochure for health food retailers buyers*
- *Quantity discounts for customers who can receive at least 1,000 pound in one shipment.*
- *retailers point of sale materials that include shelf talkers and recipe cards.*
- *electronic graphics of my packages, electronic recipes for inclusion on their web sites*
- *Links to my website that includes recipes, general information about Celiac's disease and hints about how consumers can use my flour to improve the quality of their life.*

How much more will the customer be willing to pay

- *about \$6.00 per pound which means my wholesale price will need to be about \$3.00 per pound. This is about \$3.00 per pound higher (at retail) than the cheapest gluten free flour (bean flour)*

Why are they willing to pay more over existing businesses or products?

- *The largest volume of sales in this category is rice flour at \$3/lb. and the smallest is chestnut flour @\$10/lb.*
- *Research indicates customers willing to pay between these price points.*

Who will be your key business or product competitors?

- *My key direct competitors will be producers of rice flour and bean flour.*
- *Millers who offer a broad range of gluten free products.*
- *Indirect competitors will be bakeries such as Back to Basics and The Bread Baker Company that sell bread, cookies and pastries made from gluten free flours.*

How will you compete against these competitors?

- *I will work with my retail customers to identify the consumers who enjoy baking quality products.*
- *I will develop promotional materials to target this segment of the customer base.*

Production process that will be used in the business or for the product.

- *I will contract with the owner of an existing mill to produce my flour.*
- *Mill is certified organic and only mills gluten free products.*
- *It currently produces flour from soybeans, garbanzo beans and soybeans.*
- *The mill also has a packaging line for one-pound packages of flour.*

Is the production process in anyway unique ?

- *The process of producing and packaging my flour is not unique.*
- *The unique attributes of my product is that the flour produces baked products that are very similar in mouth feel and flavor to wheat flour and other gluten flours.*

Describe the distribution process.

- *The mill that will produce my flour, has a distribution system established to health food specialty retailers in the Great Lakes area.*
- *I will contract with her to distribute my flour.*
- *Eventually I plan to market some of my products directly to consumers via the internet*

What do you see as the risks or limitations to success?

- *Lack of marketing expertise*
- *Insufficient capital to create the promo materials*
- *Not being able to produce enough Spelt on my farm to meet my production needs*
- *Competitors taking significant price cuts to keep me out of the marketplace*

How do you plan to finance this business or product?

- *Personal savings*
- *Mortgage on our farm*
- *Family loans*
- *Greenstone Farm Credit Services*

Human resources plan. Who will manage your business?

- *I plan to manage the business myself.*
- *Production and distribution will be contracted with Michigan Specialty Flours, Inc.*
- *Plan to hire two field sales representatives after a few months of sales.*

Describe your business or product development experience.

- *I have operated a retail farm market based on our family farm.*
- *I have directed five employees.*
- *I maintain the records for our family farm*

Спасибо
Spaseeba
Thank you

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