

Worksheet 1.1: The Role of Food in Tourism

Think about a recent trip or vacation you took and respond to the following questions.

What role did food play in your travels?

Did you have a memorable food experience? What made it memorable?

Did you try any local/ethnic foods? If so, why?

Did you visit any food attractions? Which?

Did you purchase any food souvenirs? If so, what were they?

Did you notice restaurants sourcing local food? If so, how was it promoted?

What type of food experience would have enhanced your trip?

Worksheet 1.2: Enterprise/Product Description

Describe your enterprise or product. Begin by noting industry trends, general market conditions, and/or perceived marketing opportunities that may exist locally, regionally, nationally, or internationally. Then describe the unique features that distinguish your product or service within the marketplace. How easily could competitors imitate these features?

Enterprise/Product: _____

Industry Trends/Changing Market Conditions:

Characteristic I _____

Easy to imitate? Yes/No _____

Characteristic II _____

Easy to imitate? Yes/No _____

Characteristic III _____

Easy to imitate? Yes/No _____

Summarize the unique features that distinguish the product/enterprise in the marketplace:

What partners or other support do you have?

Worksheet 2.1: Resource Needs

List the resource needs you have as you add a new enterprise, expand markets, or reallocate resources. Describe any gaps between current resource availability and future resource needs. Lastly, develop your acquisition strategy for meeting or filling future resource needs. Will you redirect or make better use of current resources? Will you purchase or rent additional resources (new or used)? Or will you gain access to resources through agreements, custom-hire, or contracting services? List your acquisition strategy alternatives in the space provided.

Enterprise/Product _____

Resource Needs:	Currently Available	Acquisition Strategy
Land _____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Buildings _____	_____	_____
_____	_____	_____
_____	_____	_____
Machinery and equipment _____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Management skills/training _____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Safety/Insurance _____	_____	_____
_____	_____	_____
_____	_____	_____
Supplies _____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Worksheet 2.2: Resource Affordability

Use this worksheet to estimate the price you can afford to pay for new resources.

Gross cash income = _____

Cash expenses (excluding interest) - _____

Income taxes - _____

Principal payments on term debt - _____

Depreciation reserve - _____

Social security taxes - _____

Total cash family living investments & other capital purchases - _____

Other income + _____

Cash available for principal and interest on added debt = _____

Down payment (if any) + _____

Maximum financially feasible price = _____

Worksheet 2.3: Institutional Considerations

Describe institutional factors that will affect your ability to use and manage physical resources under your new operations strategies. Include any long-term leasing arrangements, conservation easements, permit requirements, legal restrictions, and production or marketing contracts.

Long-Term Leasing Arrangements

Specify whether items will be leased in for your use or leased out for the use of others.

Long-Term Agreements and Easements

Permit and Legal Restrictions

Specify the agency responsible for issuing permits, conditions and compliance factors, fees, and your ability to meet these conditions.

Long-Term Production Contracts and Marketing Agreements

Worksheet 2.4: Regulations and Policies

List any permits, institutional requirements, or other government policies that will affect your operations. When noting permit requirements, be sure to describe any ongoing compliance issues such as annual permit renewals and fees. Next, describe your ability to meet these conditions.

Permit/License/Policy _____
Issued by: _____
Conditions and compliance issues:

Fees:

Can we meet these conditions?

Permit/License/Policy _____
Issued by: _____
Conditions and compliance issues:

Fees:

Can we meet these conditions?

Permit/License/Policy _____
Issued by: _____
Conditions and compliance issues:

Fees:

Can we meet these conditions?

Worksheet 3.1: Customer Segmentation

Develop a profile of the customer(s) you intend to target by market segment. Note the geographic, demographic, and value characteristics of each segment. Be sure to describe customer needs and preferences regarding your product/service.

Enterprise/Product _____

Customer Segment:	1	2	3
Geographic (location, state, county, etc.)			
Demographics (age, education, income, families, etc.)			
Values (open space, sustainability, local sourcing, etc.)			
Needs/Preferences			

Worksheet 3.3: Promotion Plan

Choose a promotional approach (product image, benefits, brand, etc.) for each customer segment. Then use your information about customer needs and preferences to develop a promotional message for this product. Next, think about what advertising tools and delivery methods you can use to communicate your message. Describe how often you intend to promote your product/service and communicate with customers (timing and frequency). It may be helpful to map out an advertising plan that corresponds with slow demand periods or peak product availability. Finally, summarize your promotion strategy for this product/service.

Enterprise/Product: _____

Customer Segment: 1 _____ 2 _____ 3 _____
 _____ _____ _____

Approach
• Product image, benefits, brand, etc.

Message:
• "Slogan"

Tools:
• Flyers, websites, etc.

Delivery:
• Where and how

Timing/Frequency:

Promotion Strategy:

Worksheet 4.1: Potential Food Safety Risks

Choose a product you produce or plan to produce and identify potential food safety risks for each risk type, biological, chemical, and physical for each stage of the production process.

Enterprise/Product: _____

Hazard/Risk Phase	Biological	Chemical	Physical
Production			
Harvest			
Postharvest			
Processing			
Storage			
Transportation			
Marketing			
Consumer			

Worksheet 4.2: Product Labeling Plan

Identify potential benefits and costs of labeling/certifying (organic, local, etc.) one or more of your products to determine its usefulness to your operation.

1. What direct marketing outlets do you use or plan to use?

2. If you currently certify/label your products with a third-party please describe the product type and certification agency.

3. Which products could you label/certify and with which agency/organization?

4. What benefits might be associated with implementing this labeling/certification strategy given your direct marketing outlets? (Increased pricing, access to additional markets, etc.)

5. What costs might be associated with implementing this labeling/certification strategy given your direct marketing outlets? (Membership fees, certification fees, etc.)

6. By when do you think you may be able to implement this labeling/certification plan?

Worksheet 5.2: Pricing

List the price range for similar products/services offered by competitors. Next, think about how you might price your product/service. Consider how much power you have to set the price and how sensitive demand is to price changes. Then describe your pricing strategies and list your low, expected, and high price under each pricing strategy alternative. Finally summarize your pricing strategy in the space provided.

Enterprise/Product: _____

Competitor/Industry Price Range:

Our Power to Set Prices: ____ Low ____ ____ Some ____ ____ High

Demand Sensitivity to Price Changes: ____ Low ____ ____ Some ____ ____ High

Price Range:	Low	Expected	High
---------------------	------------	-----------------	-------------

Price Strategies			
Strategy #1:	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Strategy #2:	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Pricing Strategy:

Worksheet 5.3: Food Product Enterprise Budget

<u>Revenue</u>	<u>Unit</u>	<u>Price</u>	<u>Quantity</u>	<u>TOTAL</u>	<u>% of Revenue</u>
Product					
<i>Individual product</i>	<i>Size of package</i>	<i>Price per Unit (a)</i>	<i>Number sold (b)</i>	<i>Total revenue (a x b) = (c)</i>	<i>(c / d) x 100</i>
TOTAL REVENUE (d)					

<u>Expenses</u>	<u>Unit</u>	<u>Price</u>	<u>Quantity</u>	<u>TOTAL</u>	<u>% of Revenue</u>
Ingredients/Materials					
		<i>Price per Unit (a)</i>	<i>Number sold (b)</i>	<i>Total revenue (a x b) = (c)</i>	<i>(c / d) x 100</i>
TOTAL INGREDIENTS COST (d)					

Processing					
Materials/Services					
		<i>Price per Unit (a)</i>	<i>Number sold (b)</i>	<i>Total revenue (a x b) = (c)</i>	<i>(c / d) x 100</i>
TOTAL PROCESSING COSTS (d)					

<u>Packaging</u>		<i>Price per</i>	<i>Number</i>	<i>Total</i>	<i>(c / d) x 100</i>

		<i>Unit (a)</i>	<i>sold (b)</i>	<i>revenue (a x b) = (c)</i>	
TOTAL PROCESSING COSTS (d)					

Labeling

		<i>Price per Unit (a)</i>	<i>Number sold (b)</i>	<i>Total revenue (a x b) = (c)</i>	<i>(c / d) x 100</i>
TOTAL LABELING COSTS (d)					

Storage

		<i>Price per Unit (a)</i>	<i>Number sold (b)</i>	<i>Total revenue (a x b) = (c)</i>	<i>(c / d) x 100</i>
TOTAL STORAGE COSTS (d)					

Labor

		<i>Price per Unit (a)</i>	<i>Number sold (b)</i>	<i>Total revenue (a x b) = (c)</i>	<i>(c / d) x 100</i>
TOTAL LABOR COSTS (d)					

Promotion

		<i>Price per Unit (a)</i>	<i>Number sold (b)</i>	<i>Total revenue (a x b) = (c)</i>	<i>(c / d) x 100</i>

TOTAL PROMOTION COSTS (d)					<hr/>

Distribution

Price per Unit (a)
 Number sold (b)
 Total revenue (a x b) = (c)
 (c / d) x 100

TOTAL DISTRIBUTION COSTS (d)					<hr/>

TOTAL EXPENSES

Sum of each table's Total Costs (d)

Net Income before Taxes

(Total Revenue – Total Expenses)

Income and self-employment taxes

Net Profit

Worksheet 5.4: Farm Product Enterprise Budget

<u>Revenue</u>	<u>Unit</u>	<u>Price</u>	<u>Quantity</u>	<u>TOTAL</u>	<u>% of Revenue</u>
Product					
<i>Individual product</i>	<i>Size of package</i>	<i>Price per Unit (a)</i>	<i>Number sold (b)</i>	<i>Total revenue (a x b) = (c)</i>	<i>(c / d) x 100</i>
TOTAL REVENUE (d)					

<u>Expenses</u>	<u>Unit</u>	<u>Price</u>	<u>Quantity</u>	<u>TOTAL</u>	<u>% of Revenue</u>
Land Preparation		<i>Price per Unit (a)</i>	<i>Number sold (b)</i>	<i>Total revenue (a x b) = (c)</i>	<i>(c / d) x 100</i>
TOTAL LAND PREP COSTS (d)					

<u>Planting</u>	<u>Unit</u>	<u>Price</u>	<u>Quantity</u>	<u>TOTAL</u>	<u>% of Revenue</u>
		<i>Price per Unit (a)</i>	<i>Number sold (b)</i>	<i>Total revenue (a x b) = (c)</i>	<i>(c / d) x 100</i>
TOTAL PLANTING COSTS (d)					

Maintenance

Price
per Unit
(a)

Number
sold
(b)

Total
revenue
(a x b) =
(c)

(c / d) x 100

**TOTAL
MAINTENANCE
COSTS (d)**

Harvesting

Price
per Unit
(a)

Number
sold
(b)

Total
revenue
(a x b) =
(c)

(c / d) x 100

**TOTAL
HARVESTING
COSTS (d)**

Storage

Price
per Unit
(a)

Number
sold
(b)

Total
revenue
(a x b) =
(c)

(c / d) x 100

**TOTAL STORAGE
COSTS (d)**

Labor

Price
per
Unit
(a)

Number
sold
(b)

Total
revenue
(a x b) =
(c)

(c / d) x 100

TOTAL LABOR COSTS
(d)

TOTAL EXPENSES

Sum of ALL Total Costs (d)

Net Income before Taxes

(Total Revenue – Total Expenses)

Income and self-employment taxes

Net Profit

Note: Net profit must be used to pay principal on loans, purchase new equipment, add to working capital, and withdrawals for owners.

Worksheet 5.5: Enterprise Break-Even Analysis

Calculate your break-even value or volume for each enterprise or product. Try experimenting with a range of market prices to see how they affect your break-even volume. Is your break-even value below or above the projected market price you identified?

Break-Even Volume Enterprise or Product: _____

Annul Overhead costs (a) = _____

Direct costs/unit (b) = _____

Estimated market value/unit (c) = _____

Break-even value (a+b)/(c) = _____

Estimated sales volume = _____

Upper limit or output capacity = _____

How does your break-even volume for this product compare to your projected sales volume and production capacity estimates? Can you break even?

Break-Even Volume Enterprise or Product _____

Average overhead expenses (a) = _____

Average direct expenses (b) = _____

Production volume (c) = _____

Break-even value (a+b)/(c) = _____

Estimated sales volume = _____

Upper limit or output capacity = _____

How does your break-even value for this product compare to your projected sales volume and production capacity estimates? Can you break even?

Worksheet 5.6: Partial Budget

If appropriate, calculate and record the impact of each strategy using the partial budget approach. Begin by estimating additional income (added inflows) and new expenses (additional outflows). Next, estimate any reduction in your annual expenses (reduced outflows) and income (reduced inflows) that will occur as a result of your proposed strategy or business change. Lastly, total up the positive impact of your business strategy (e) and the negative impact (f). What is the net effect on profit and cash flow? What is your return on assets?

Strategy: _____

Added Inflows	Profit	Cash Flow	Added Outflows	Profit	Cash Flow
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
Subtotal	(a) = _____	_____	Subtotal	(b) = _____	_____
Reduced Outflows			Reduced Inflows		
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
Subtotal	(c) = _____	_____	Subtotal	(d) = _____	_____
Total	(a + c) = (e)	_____	Total	(b + d) = (f)	_____
			Net	(e - f) = (g)	_____
			Added Interest (h)	=	_____
			Total Investment (i)	=	_____
			Return on Assets		
			[(g + h) / i]	=	_____

Worksheet 5.7: Long-Range Projected Cash Flow

Use the space below to calculate and compare your business's present cash flow and its cash flow under the alternative strategies that you are considering. Begin by estimating total cash inflows and outflows. Then subtract outflows from inflows. If the projected net cash flow is positive, then the plan will cash flow (it will be able to make debt payments on time). If the net cash flow is negative, the business alternative will have trouble servicing short-term debt.

Projected Cash Flow:	Base Plan	Strategy #1	Strategy #2
Net Income	_____	_____	_____
Depreciation expense	_____	_____	_____
Interest expenses on term debt	_____	_____	_____
Other Income	_____	_____	_____
Total cash inflows (a)	_____	_____	_____
Owner withdrawals	_____	_____	_____
Income and social security taxes	_____	_____	_____
Principal and interest payments on term debt			
Loan	_____	_____	_____
Loan	_____	_____	_____
Loan	_____	_____	_____
Loan	_____	_____	_____
Loan	_____	_____	_____
Loan	_____	_____	_____
_____	_____	_____	_____
Total cash outflows (b)	_____	_____	_____
Projected net cash flow (a – b)	_____	_____	_____

Worksheet 5.8: Risk Analysis

Use the space below to record and compare the results of a 5% decrease in market prices, a 5% increase in expenses, or a 2% increase in interest rates for each strategy alternative. You will need to use software or another sheet of paper to calculate the effect of these very real market uncertainties. How do these market and finance-related shocks affect your present business and its future under the strategy alternatives that you are considering?

	Base Plan	Strategy #1	Strategy #2
Effect of a 5% decrease in prices			
Net income	_____	_____	_____
Net cash flow	_____	_____	_____
Effect of a 5% increase in expenses			
Net income	_____	_____	_____
Net cash flow	_____	_____	_____
Effect of a 3% increase in interest rates			
Net income	_____	_____	_____
Net cash flow	_____	_____	_____

Worksheet 5.9: Financing

Use the space below to begin developing your financing strategy for any start-up, annual operating, and longer-term capital and real estate needs associated with each major business strategy alternative. Begin by having each member of your planning team (if appropriate) evaluate the importance of the financing criteria described (control, cost, risk, liquidity). Next list money that will be needed to finance start-up, operating, and long-term needs as well as one or more financing strategy for each. If any of your strategies include the use of external financing, be sure to research and record interest rates and financing conditions in the space provided. Be sure to talk with your local lender, accountant or Extension educator; they can help you locate and evaluate which finance strategy best fits your personal criteria and business needs.

Strategy Criteria

Rank the importance of each of the following finance strategy criteria:

Control	_____ Low	_____ Medium	_____ High
Cost	_____ Low	_____ Medium	_____ High
Risk	_____ Low	_____ Medium	_____ High
Liquidity	_____ Low	_____ Medium	_____ High

Financing Needs

List money needed for each expense category. Then, briefly describe one or more financing strategies for each.

	Value	Strategy One	Strategy Two
One-time start-up needs	\$ _____	_____	_____
Annual operating needs	\$ _____	_____	_____
Intermediate needs (5-7 yrs)	\$ _____	_____	_____
Long-term needs (7-10 yrs)	\$ _____	_____	_____
Real estate needs	\$ _____	_____	_____

Finance Options

If you plan to seek outside financing (including government cost-share payments), research interest rates and other financing conditions (such as easement terms) from up to three sources for each financial need.

Need	Source/Institution	Interest Rate	Conditions
Start-Up	_____	_____	_____
Operating	_____	_____	_____
Intermediate	_____	_____	_____
Long-term	_____	_____	_____
Real Estate	_____	_____	_____

