



Regenerative Business Planning

For HFUU Annual Convention - October 2016

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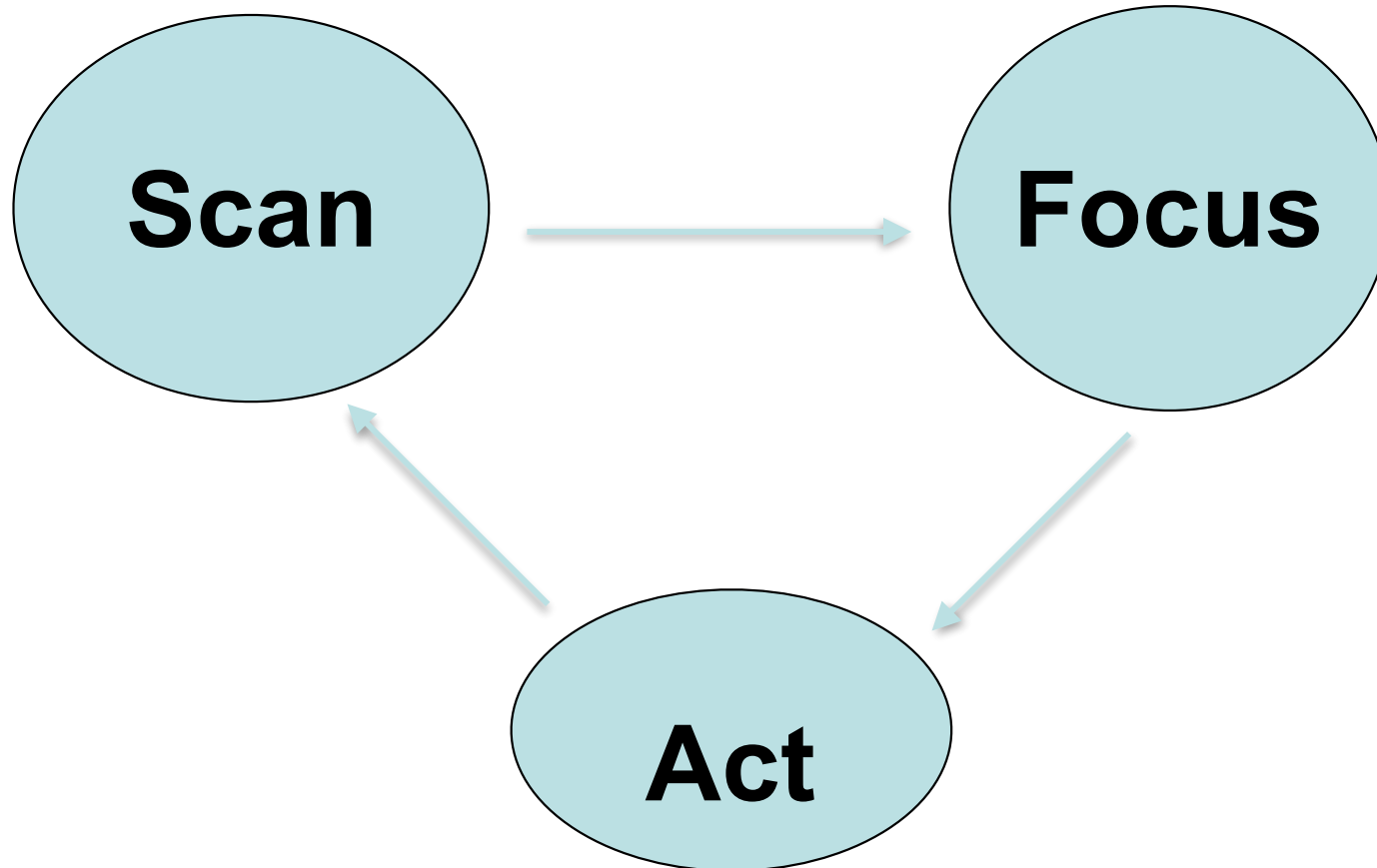
Agricultural Enterprise Business Plans

Workshop Agenda

1. **Different Plans** for Different Purposes
2. **Bio Mimicry**: Scan—>Focus—>Act
(feedback loop)
3. Important Trends: Lean or Agile
Experimentation
4. **& Social Impact Metrics**
5. Free and Low Cost **Resources** for Next Steps

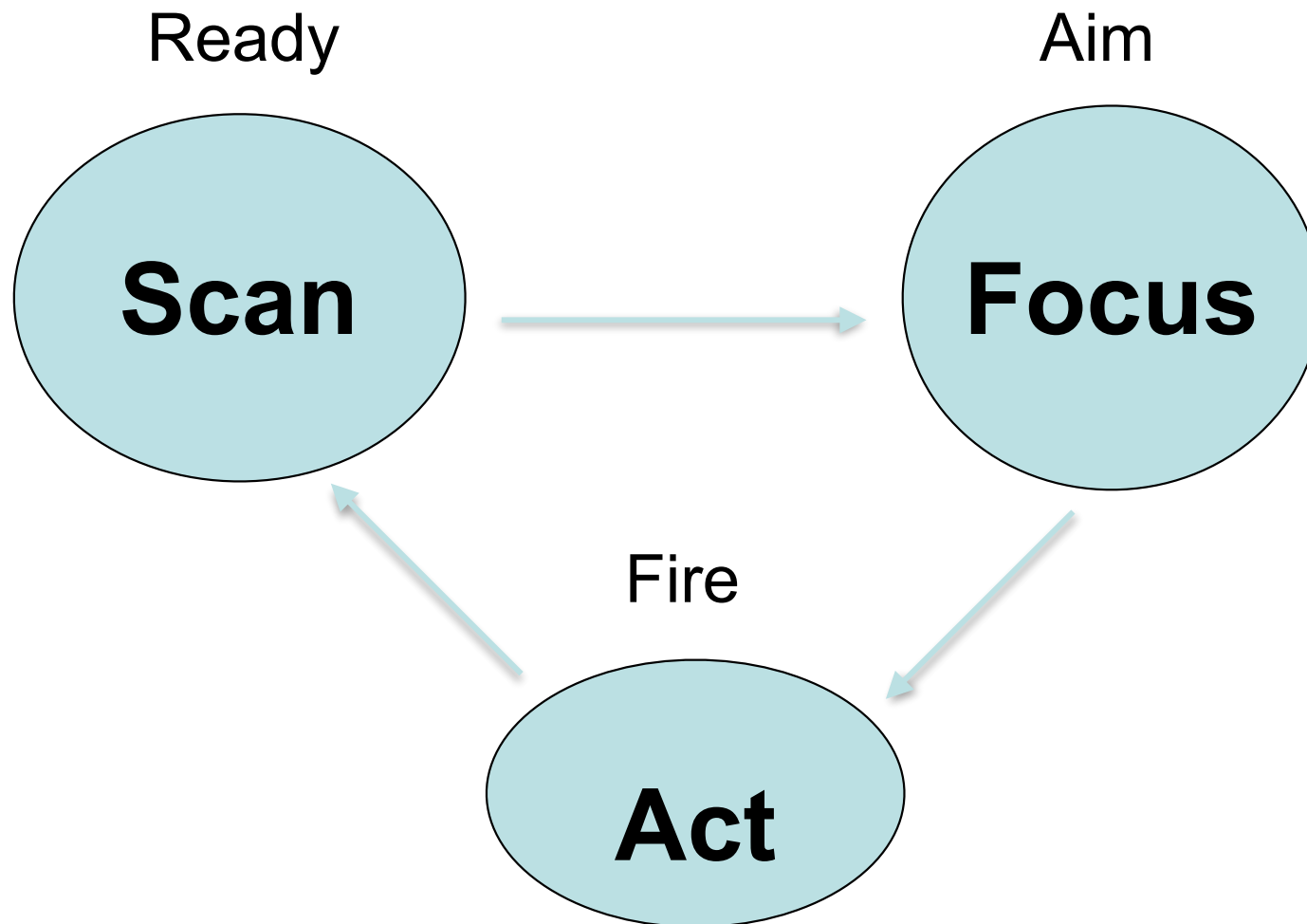
Different Plans for Different Purposes

- Evolution of approaches over time driven by what works and what does not - for entrepreneurs, funders, publishers, schools, etc.
- Better to create something quickly and short, interact with stakeholders, learn and improve or “Pivot”
- Different approaches for different audiences:
 - Yourself
 - Family
 - Partners
 - Investors
 - Bankers/Community Loan Programs
 - Grants
- Many such as grant providers, bankers, etc. have very specific formats that you must follow.
- Where are you in the life cycle of your business?

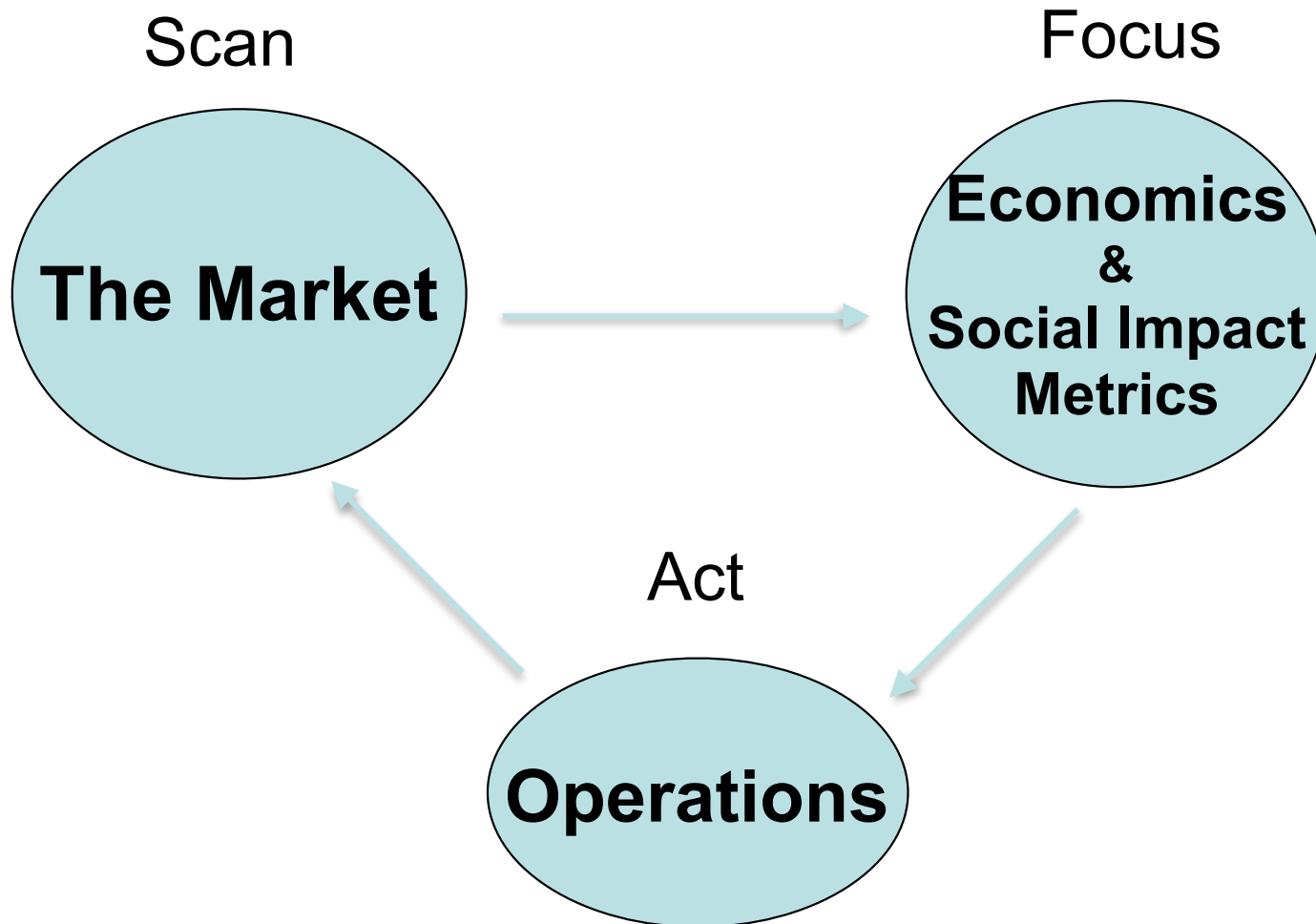


The Common Thread

Natural neurological process, e.g. walking (look at path, decide, step)
Common thread, on many levels, as a bio design template.



The need for balance, continuously cycling - don't get stuck in any one process. Keep moving, learn from many small actions.



Translated to business language



Marketing Plan

The Marketing Iceberg

Strategy

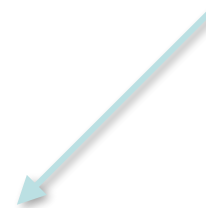
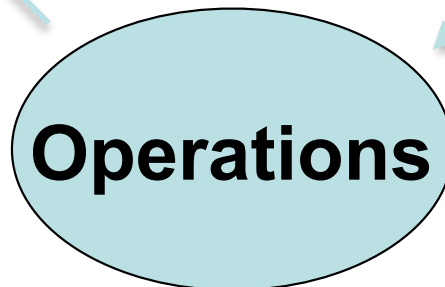
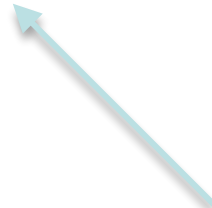
5 P's

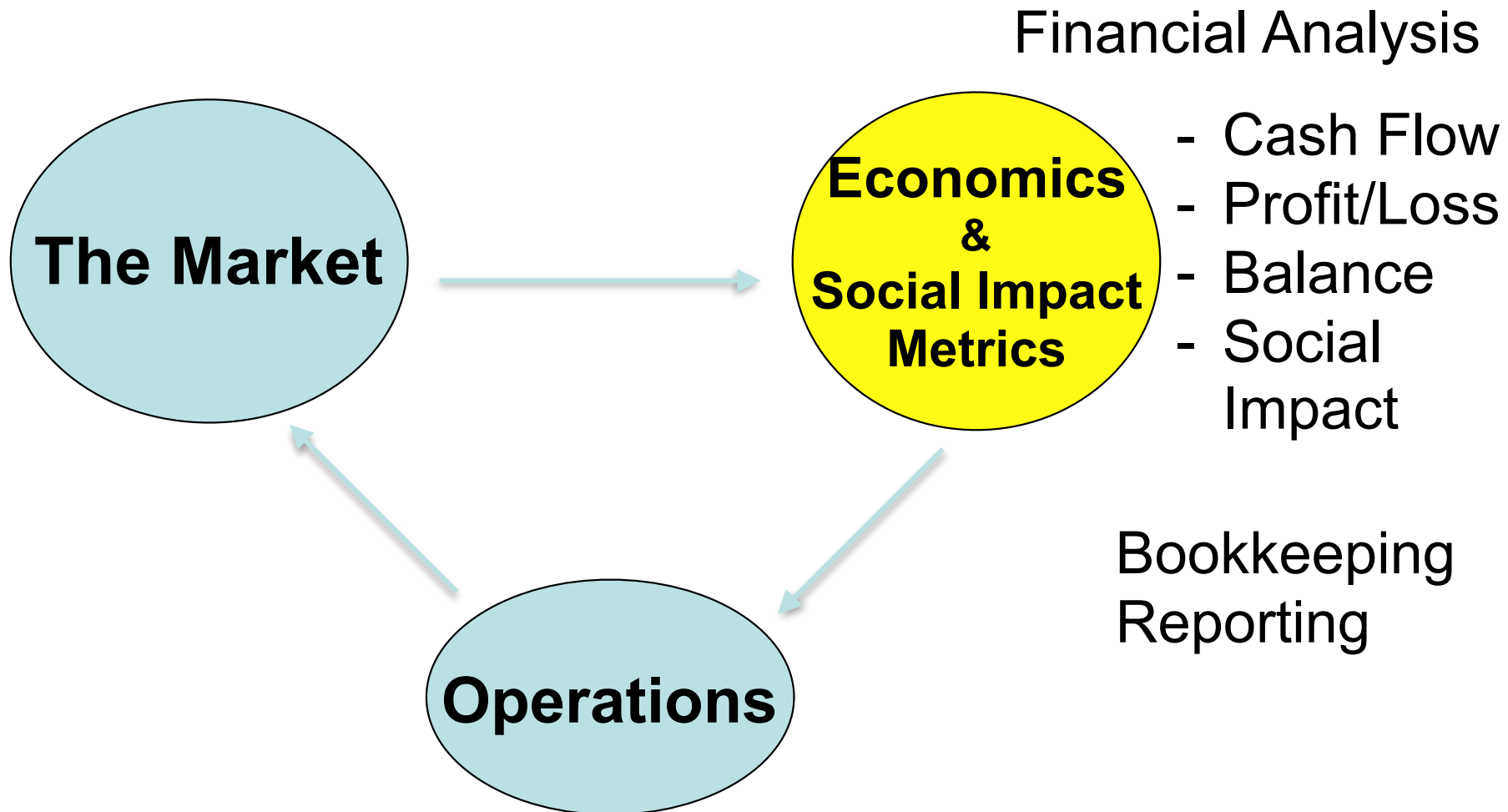
The Market

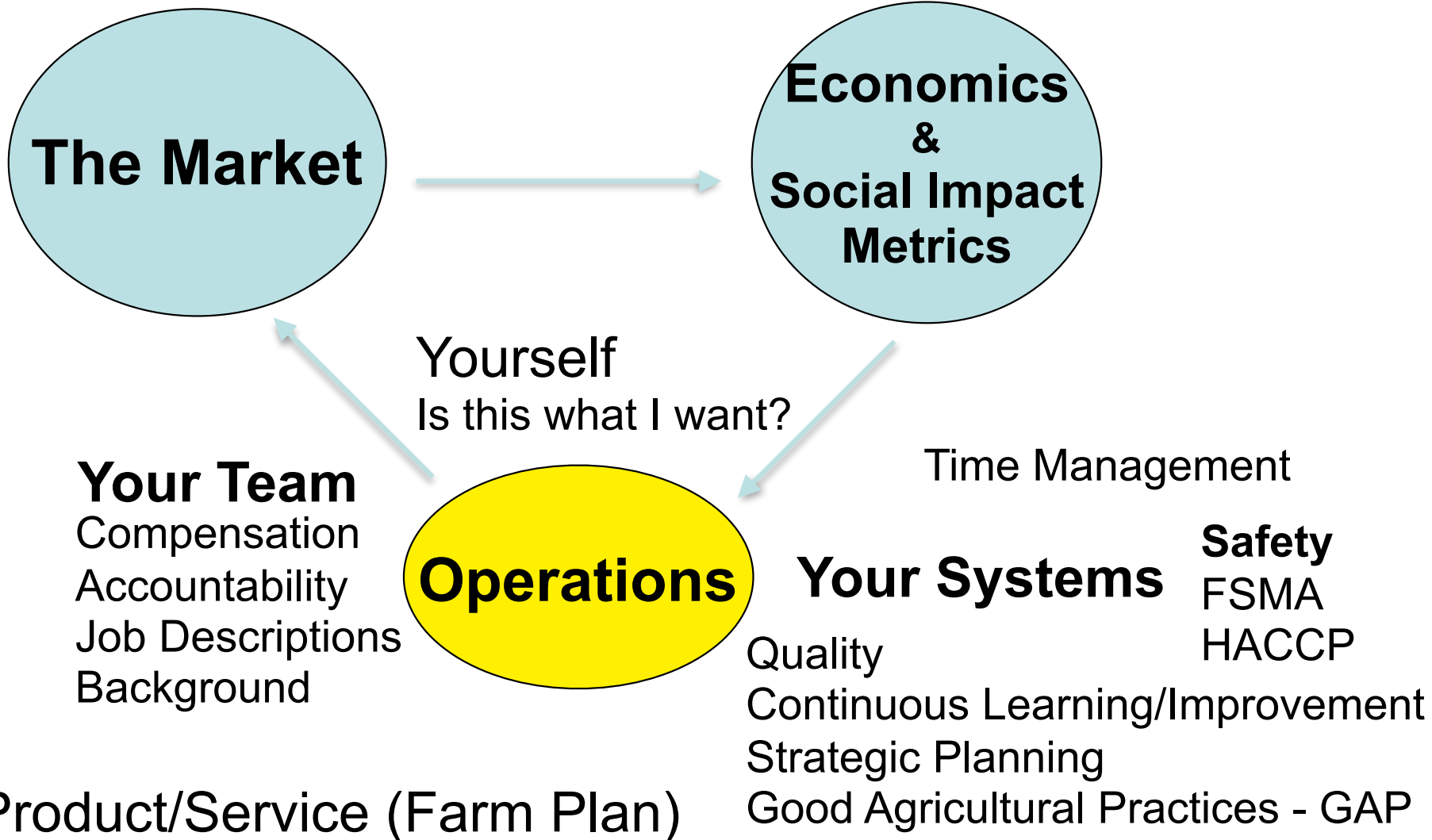


**Economics
&
Social Impact
Metrics**

The Market
Research
Matrix







In this 45 minute workshop, we are only going deeper on marketing and economics (finance).



Marketing Plan

The Marketing Iceberg

Strategy

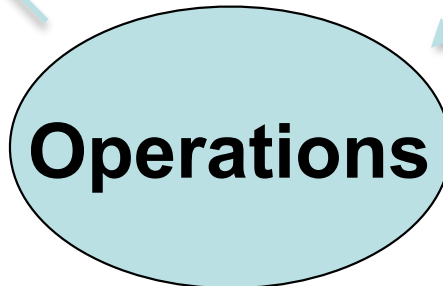
5 P's

The Market



**Economics
&
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The Market
Research
Matrix



Operations

Components of a Marketing Strategy - Brainstorm
3-7 of these before starting market research

The 5 P's of Marketing

- Product, Service, Experience, Story
- People, Customers, Psychographics, Demographics
- Place, Location, Distribution, Relationships
- Price – meet the market, cover your costs
- Promotion – Channels, Sales, PR, Advertising

Good Marketing is Really About LISTENING
and OBSERVING!

Onstage

The Marketing Iceberg

5 P's Upside Down



Promotion

Price

Place/Venue/Channel

People/Customers/Audience/Stakeholders

Product/Service/Experience/Story/Dream

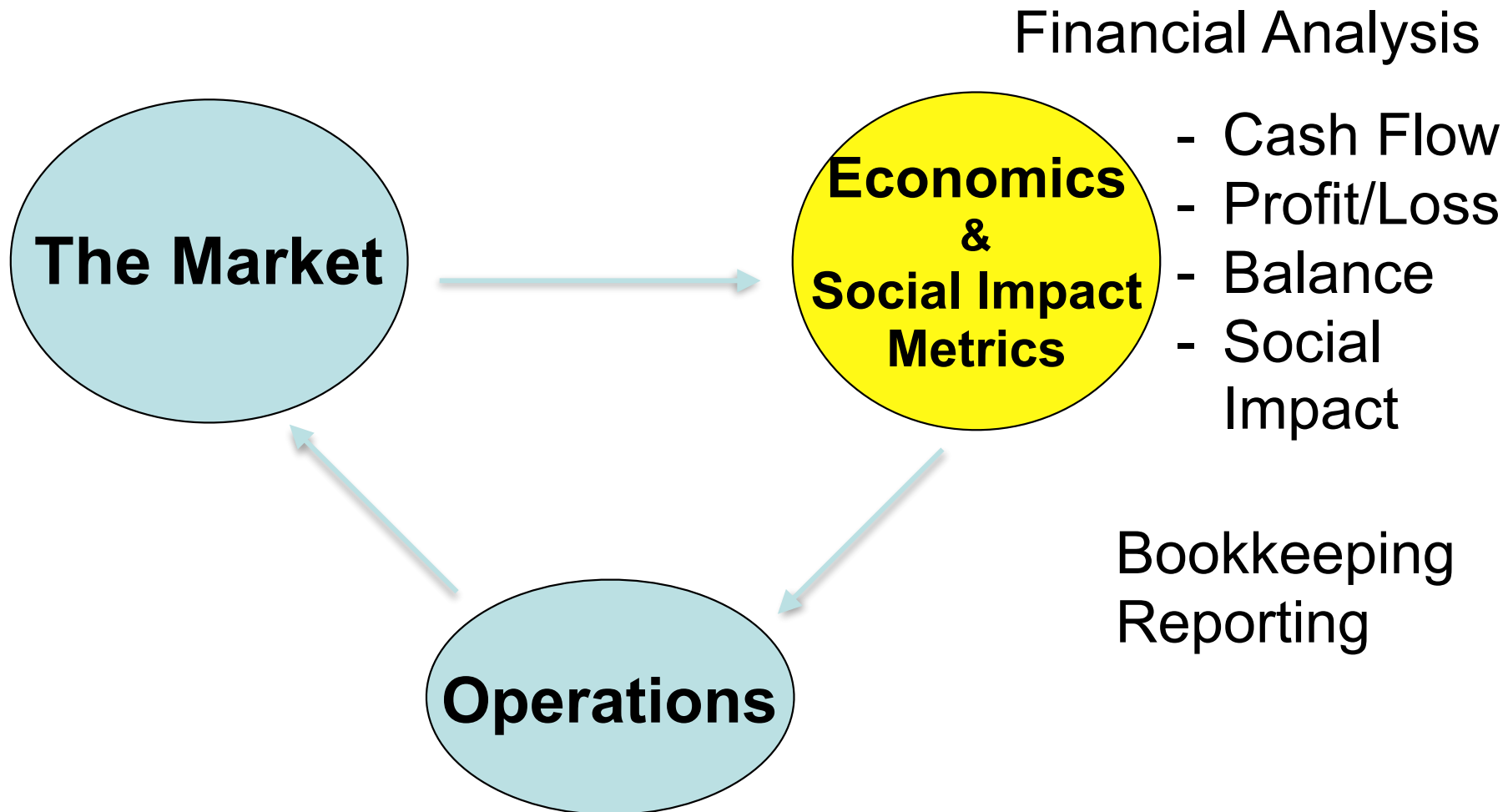
It is what is
below the
water that is
critical

Backstage

The Market Research Matrix

A well thought out plan shows evidence of all 4 kinds of research

	Primary What You Do When talking to customers, etc.	Secondary Google, Trade Associations, HI SBDCs
Qual- itative	Understand benefits, specifications, and language that are meaningful for your customers. This helps you design your offerings, and promotion/advertising. Opinion surveys & focus groups OK here.	
Quant- itative	Figure out what you can sell (\$, lbs) at what price, what levels of sales are likely. What are your costs - this becomes basis of financial projections. Use observation of behavior rather than opinion/surveys.	



Economics and Social impact

- **Cash Flow** - How much money do you need, when?
- **Profit/Loss** - How have you done? Taxes, Profit sharing
- **Balance** - Are you healthy? Assets, Liabilities, e.g. Soil Test
- **Social Impact** - Metrics, e.g. % local, jobs, people fed, health metrics, B-corp metrics.

Three Major Financial Analyses (Historical, Forecast)

Cash Flow (sources and uses of funds)

- is for figuring out how much money you need and when - by month
- sources include revenues, loans, grants, sales of existing assets
- uses do NOT include depreciation
- uses DO include full loan payments (principal & interest)
- uses include capital investments, disbursements to owners, taxes, etc.
- the MOST IMPORTANT financial analysis for businesses early in their life.
- Should be reviewed and compared to actuals at least monthly.

Profit & Loss (P&L, Income, or Operating Statement)

- is for score keeping
- for calculating taxes, and distributing profits to owners
- can be compared to industry standards
- should be reviewed quarterly
- CPA's are primarily skilled in this area and not in cash flow

Balance Sheets

- To see how healthy is your business - e.g. like a soil test
- Assets - cash, inventory, receivables, fixed (equip, land, intangibles)
- Liabilities (payables, short term & long term debt)
- $\text{Assets} - \text{Liabilities} = \text{Net Worth (Equity)}$



What are B Corps?

Become a B Corp

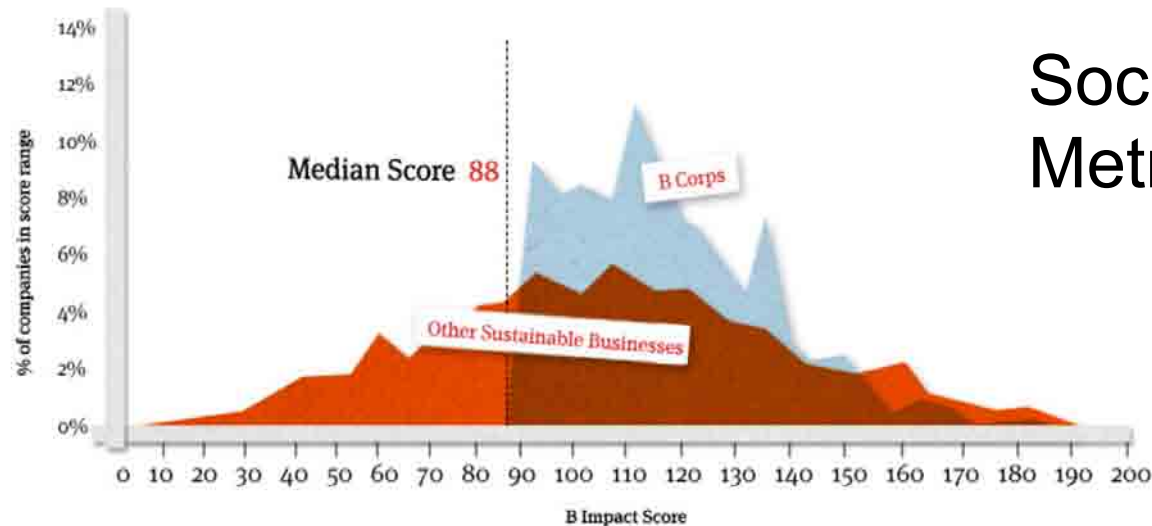
B Corp Community

B the Change

News & Media

Benchmark Performance

Distribution of Overall B Impact Scores



Social Impact Metrics

MEASURE WHAT MATTERS

Start your B Corp Certification & assess your company's impact.

Take the B Impact Assessment

Find a

What's your impact? More than 15,000

“ The certification is a great tool to help us

For a good intro on social impact metrics go to <https://www.bcorporation.net/become-a-b-corp/why-become-a-b-corp/benchmark-performance>

For Hawaii's Sustainability Corp entity: <http://www.sahawaii.org/p/sustainable-business-corporation.html>

Harvard
Business
Review



<https://hbr.org/2013/05/why-the-lean-start-up-changes-everything>

ENTREPRENEURSHIP

Why the Lean Start-Up Changes Everything

by Steve Blank

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Startup Tools

Getting Started

- [Why the Lean Startup Changes Everything](#) – Harvard Business Review
- [The Lean LaunchPad Online Class](#) – FREE
- [How to Build a Web Startup](#) – Lean Launchpad Edition
- [How to Build a Web App](#) – isomorphic web app boilerplate project (Node.js + Reactjs stack)
- [YCombinator Startup Playbook](#) – Sam Altman
- [How to Create a \\$1M Web Business](#) – Noah Kagan
- [Web Fundamentals](#) – Google developers

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Linked 

THE STARTUP OWNER'S MANUAL

The Step-by-Step Guide for Building a Great Company

1 Amazon Title: Entrepreneurship

Steve Blank and Bob Dorf

An Example of the Business Model Canvas

Cooperative Food System Accelerator Draft 11/9/14

<p>Key Partners</p> <ul style="list-style-type: none"> Hawaii Farmers Union United National Farmers Union CHS Center for Cooperative Development Whole Foods UH College of Tropical Agriculture and Human Resources - Ag Incubator DBEDT Ag Innovation Program Hawaii Chefs Association National Chefs Groups Edible Hawaii Hawaii Tourism Authority U.S. Dept. of Ag Rural Dev. 	<p>Key Activities</p> <ul style="list-style-type: none"> Educating Customer Segments through ongoing outreach meetings, media, etc. Recruiting mentors, investors and cohort entrepreneurs Managing the business model development, customer discovery, fundraising for company process. Providing basic legal & accounting, packaging & marketing resources Providing ongoing support via mentor network <p>Key Resources</p> <ul style="list-style-type: none"> Mentors & skilled biz dev people Industry contacts Community passionate on the subject via the Farmers Union 	<p>Value Proposition</p> <p>Entrepreneurs</p> <ul style="list-style-type: none"> Money, time, and resources to develop ideas An opportunity to realize potential and serve the community. Synergies in the eco-system <p>Established Food System Entities</p> <ul style="list-style-type: none"> More local products More "Maui" products More craft, value added products Enhanced offerings Synergies in the ecosystem <p>General Public</p> <ul style="list-style-type: none"> Same as above Being part of a solution Healthier food, food security <p>Gov</p> <ul style="list-style-type: none"> Same as above Diversifying economy <p>Social Impact Investor</p> <ul style="list-style-type: none"> Good return Fun An important social issue 	<p>Customer Relationships</p> <p>New Customers</p> <p>Engagement around participating in cohort either as a team member or mentor, investor, customer or service provider.</p> <p>Established Customers</p> <p>Regular communication about building successful businesses serving all stakeholder needs.</p> <p>Channels</p> <p>Weekly workshops and forums</p> <p>Site visits to customers</p> <p>Community Outreach</p> <ul style="list-style-type: none"> Maui Farmers Union Farm Tours Other community talks Weekly radio show, Maui Breakfast Club 	<p>Customer Segments</p> <p>Entrepreneurs</p> <ul style="list-style-type: none"> Farmer/hybrids Value Added Product Producers Consultants/Agronomists/Soil Specialists Marketers Others <p>Established Food System Companies/Organizations</p> <ul style="list-style-type: none"> Whole Foods, Mana, Down To Earth & other natural foods stores National Farmers Union national distributors/marketers <p>General Public/Foodies/Health Consumers</p> <p>Government</p> <ul style="list-style-type: none"> Department of Ag - US/State Department of Health/US/State University Homeland Security <p>Social Impact Investors</p>
<p>Cost Structure - \$220,000 - Cohort x 2 Cycles = \$440k/year</p> <p>\$10k per team x 10 = \$100,000 x 2 = \$200,000</p> <p>\$240k - Management team & expenses</p> <p>Through combination of grants and investments.</p> <p>Free online video "Lean Startup" class https://www.udacity.com/course/ep245</p> <p>http://steveblank.com/slides/</p>		<p>Revenue Structure -</p> <p>20 teams - 75% or 15 succeed at raising \$300k each = \$4.5 million. 10% fundraising fee = \$450k.</p> <p>Grow to be enterprises generating an average of \$1 million/year each x 15 = \$15 million with 20% profits = \$3 million. Accelerator gets 10% of profits or \$300k/yr from companies</p>		



RESOURCES

- Lean Startup— <https://hbr.org/2013/05/why-the-lean-start-up-changes-everything>
- Free Online Video Course - <https://www.udacity.com/course/how-to-build-a-startup--ep245>
- Face-to-face - Small Business Development Centers <http://www.hisbdc.org/> - on all islands except Molokai, Lanai.
- CTAHR Ag incubator (Oahu) <http://www.aiphawaii.com/>
- Farmers Union Accelerator? (like Hi Energy Excelerator, but organized as a co-op) in development. H-CX?
- Slow Money - <https://slowmoney.org/> - HI Chapter forming - info@slowmoneyhawaii.com

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Summary

1. **Different Plans** for Different Purposes
2. **Bio Mimicry**: Scan—>Focus—>Act (feedback loop)
3. Important Trends: Lean or Agile **Experimentation**
4. **& Social Impact Metrics**
5. Free and Low Cost **Resources** for Next Steps

Let me know if you are interested in a webinar business planning course. Could be real time, or on-demand videos.

H-CX.com

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