

Facts on Starting a Food Business

Key Components of a Business Plan

A business plan is a critical management tool for the creation or expansion of any business. It is a game plan - a concise, written record of objectives and how to obtain them. It describes, at a minimum, a product or service, customers, competition, management and financial arrangements. It should also outline production and marketing plans. It will outline the steps needed to grow a successful business, identify necessary resources, resolve potential problems before they occur and highlight areas where financing is needed.

Business plans come in many different styles, yet they all contain core information.

Your business plan should include:

Executive Summary

The executive summary should outline at a high-level what the business plan entails. For example, you may include:

- A general description of your product
- The market(s) you are targeting
- What differentiates your product from your competition
- Short- and long-term goals for your business
- Ownership structure
- Financial requirements and expected income

The executive summary is the first thing readers see but is typically the last piece of the business plan that is written.

Product Description

Describe your product(s):

- Features and benefits
- How your product(s) is going to be produced and packaged
- Where your product(s) is going to be sold

Business Description

Describe your business:

- History
- Vision, mission and values
- Goals and objectives – what are the timelines to accomplish your goals and objectives?
- Ownership structure; sole proprietorship, partnership, corporation



Operations Plan

Prepare a brief outline of how you plan to operate your business, including:

- How the product will be manufactured – e.g. your own plant, co-manufacturing, commercial kitchen use
- Where ingredients and supplies will be purchased - how the product will be packaged, warehoused and shipped
- What, if any, land, buildings and equipment will be needed
- Business location proximity to consumers, suppliers, transportation (include costs) and location of competitors
- Production capacity that can be achieved (how you will react to market demand)

Financial Plan

The financial plan is an essential part of any business plan and will be a requirement for creditors and/or government agencies when evaluating your business needs and use of funds. Include at least three years' worth of projected financial statements.

Your financial plan should include:

- **Income Statement** - discloses annual revenues and expenses of a business over the time period covered by the plan
- **Cashflow Summary** – forecast how much money will come in and out of the business. This projection will budget what you can afford and predict when expenditures will be made. It will show how to keep the business operating on a month-to-month basis and indicates the projected bank loan requirements during the year
- **The Balance Sheet** - describes the assets, liabilities, and equity of the business at a

point in time. It is a widely used accounting statement that indicates the economic resources of the business organization and the claim on those resources by creditors. This information will allow owners, partners and creditors to compare the estimates, against past performance and industry averages

- **Capital Sales and Purchases** – Supply detailed information on the capital purchases of land, buildings and equipment that are anticipated during the planning period and disclose information on how these assets are to be financed and their life expectancy
- **Financing Schedule** - Snapshot overview including name of financial institutions for existing and new loans



Human Resources

Human resources management is a critical component to the success of any business.

Consider including:

- The key people currently involved in your business, their education, and experience
- Your plan to attract, retain, and train employees
- Additional skills needed to implement your plan and when you will need them
- How key areas will be handled and by whom. An organizational chart is recommended
- Strengths and weaknesses in the management team, and a strategy to overcome them
- Salary and compensation of managers and employees

With the above key elements required in a business plan explained, it is important to invest in the time required to research the information needed for your business plan. Start by viewing other businesses plans to gain ideas on concepts, content, target market and more.

Marketing Plan

Include the four “P’s” of marketing: product, price, promotion, and place (distribution).

Consider describing:

- Competitive advantage - does it fill a niche market demand
- Price Point - based on costs, competition, or what the market will bear
- S.W.O.T analysis – identify and outline strengths, weakness, opportunities and threats relating to the business (internal) and the market (external)
- Identify and understand the competitors and consumers of the product(s)
- Implications of change, trends, new technologies, new products, different lifestyles, ability of customers to afford the product
- Targeted geographic area where marketing tactics will be focused
- Product distribution – how you will get your product to customers



Resources

Business Planning Resources and Templates

- FedDev Ontario Small Business Services - [Sample business plans and templates](#)
- FedDev Ontario Small Business Services - [Business plan guide](#)
- OMAFRA - [Preparing Business Plans](#)
- OMAFRA - [Evaluating the Feasibility of Business Opportunities](#)
- [Futurpreneur Canada](#)

New Business

- [Ontario Small Business Enterprise Centres](#)
- [Ontario Small Business Access](#)
- [Indigenous Business Development Toolkit](#)
- [Starting a Business in Canada](#)
- [Community Futures Development Corporations](#)
- [Waubetek Business Development Corporation](#)

Food and Beverage

- OMAFRA - [Ontario's Food and Beverage Industry](#)
- OMAFRA - [Guide to Food and Beverage Manufacturing in Ontario](#)
- OMAFRA - [Starting a Cidery in Ontario](#)
- OMAFRA - [Starting a Winery in Ontario](#)
- OMAFRA - [Guide to Starting a Craft Brewery](#)
- Agriculture and Agri-Food Canada - [Processed Food and Beverage Sector](#)
- Canadian Manufacturing: [Food & Beverage](#)

Subscribe for Monthly Food Bulletins

Subscribe to OMAFRA's monthly Food Bulletin and find information on the latest food and beverage manufacturing funding programs, consultations, regulations, events, training and more.

www.omafra.gov.on.ca/english/new/comm-bulletins-form.htm

For more information, contact the Agricultural Information Contact Centre at 1-877-424-1300 or by email: ag.info.omafra@ontario.ca

Ask about our other business resources:

- Is Entrepreneurship Right for You?
- Key Components of a Business Plan